Date:10.11.2025

To,
BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street,
Mumbai-400001
Scrip Code: BSE-540795

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1
G-Block, Bandra-Kurla Complex,
Bandra(East) Mumbai-4000501
Trading Symbol: DYCL

Sub: Intimation of upgradation in Credit Rating of the Company from India Ratings & Research Private Limited

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that India Ratings & Research Private Limited has upgraded its credit ratings on the bank facilities vide its press release dated November 10, 2025 as follows:

Instruments	Amount (Rs. in million)	Existing Rating	Revised Rating	Rating Action
Bank Loan Facilities	Rs.3560.00	IND A-/Stable/ IND A1	IND A/ Stable/ IND A1	Long-term rating upgraded; short-term rating affirmed

Copy of aforesaid press release is enclosed herewith.

We request you to kindly take the information on your records.

Thanking you,

Yours faithfully,
For **Dynamic Cables Limited**

Naina Gupta Digitally signed by Naina Gupta Date: 2025.11.10 18:04:48 +05'30'

Naina Gupta
Company Secretary and Compliance Officer
M. No. A56881

India Ratings & Research
A Fitch Group Company

India Ratings Upgrades Dynamic Cables' Bank Loan Facilities to 'IND A'; Outlook Stable

Nov 10, 2025 | Cables - Electricals

India Ratings and Research (Ind-Ra) has upgraded Dynamic Cables Limited's (DCL) bank loan facilities to 'IND A' from 'IND A-', with a Stable Outlook, as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR3,560	IND A/Stable/IND A1	Long Term Rating Upgraded;Short Term Rating Affirmed

Analytical Approach

Ind-Ra continues to take a standalone view of DCL to arrive at the ratings.

Detailed Rationale of the Rating Action

The upgrade reflects the improvement in DCL's scale of operations and profitability during FY25-1HFY26, and Ind-Ra's expectation that the credit metrics would remain comfortable and steady over FY26-FY27 in the absence of any major debt-funded capex. Ind-Ra takes note of the progress in the ongoing capex, which is likely to be completed by March 2026 and would see a gradual ramp-up and contribute to profitability in FY27. The capital raise in 1HFY25 has supported the ongoing capex and has led to a reduction in debt levels. The rating factors in the experience of the promoters in running the business and the availability of adequate liquidity, with unutilised working capital limits and unsecured loans from promoters.

List of Key Rating Drivers

Strengths

- Growth in revenue; diversified operations
- Capex completion and ramp up to improve business profile
- Improved and resilient EBITDA margins
- Comfortable credit metrics

Weaknesses

- Inherent industry risk
- Intense competition

Detailed Description of Key Rating Drivers

Growth in Revenue; Diversified Operations: DCL's revenue rose to INR10,254 million in FY25 (FY24: INR7,680 million), driven by a ramp-up in the capacities of low tension and high-tension wires, which together formed around 88% of the FY25 revenue. The revenue share of exports declined to 9% in FY25 (FY24: 12%). However, domestic demand remained robust and contributed around 91% to the total revenue in FY25 (FY24: 88%). Furthermore, the share of private players in domestic orders increased to 73% in FY25 (FY24: 64%), led mainly by growth in the power and infrastructure sectors in the country. DCL reported a revenue of INR5,436 million and an EBITDA margin of 10.63% in 1HFY26. DCL had an unexecuted order book of around INR7,210 million as on 30 September 2025 (31 March 2025: INR7,260 million, 31 March 2024: INR5,210 million); order execution usually takes about six-to-nine months. Ind-Ra expects the revenue to increase over the medium term, backed by steady order inflow and gradual ramp-up of installed capacities.

DCL has been present in the industry for over 37 years and has established relationships with the clients. The top five customers accounted for 31% of the total revenue in FY25 (FY24: 28%), with no customer contributing more than 8%. DCL benefits from healthy geographical diversification, with the company having a presence across India and in around 40 countries across the globe.

Capex Completion and Ramp-Up To Improve Business Profile: The ongoing greenfield capex for manufacturing of renewable sector cables (particularly solar cables) at Reengus in Sikar district in Rajasthan started in FY25 and is likely to be completed by March 2026. This would diversify the product profile of DCL. The management expects to see the full-year benefit of the ramp-up in capacities in FY27. The management expects the demand for renewable sector cables to increase in the coming years. Accordingly, the EBITDA margin is likely to inch up post the ramp-up in capacities of the new capex.

Improved and Resilient EBITDA Margins: DCL’s EBITDA margin improved slightly to around 10.3% in FY25 (FY24: 10.1%, FY23: 9.4%), backed by sustained prudent inventory management, as the company builds raw material inventory back-to-back against final orders. This mitigates the risks associated with volatility in raw material prices and dynamic business cycles. The return on capital employed improved to 24.6% in FY25 (FY24: 22.9%, FY23: 22.7%). During 1HFY26, the company reported an EBITDA margin of 10.6%. Ind-Ra expects the margins to remain at similar levels in FY26 and over the medium term, due to similar nature of operations, and gradually improve once the capacities ramp up after the completion of the ongoing capex.

Comfortable Credit Metrics: DCL’s credit metrics improved in FY25 due to higher profitability and debt reduction through the proceeds of the preferential allotment of shares amounting to INR965 million in June 2024. The gross interest coverage (operating EBITDA/gross interest) improved to 6.90x in FY25 (FY24: 3.73x, FY23: 3.87x) and the net adjusted leverage (total adjusted net debt (including LCs for bill discounting and LC creditors)/operating EBITDAR) improved to 0.92x (2.89x, 2.54x). As on 30 September 2025, DCL reported a gross interest coverage of 10.46x and net adjusted leverage of 0.45x. Over the medium term, Ind-Ra expects the credit metrics to remain steady, supported by sustained profitability and absence of any major debt-funded capex.

Inherent Industry Risk: The cable industry is susceptible to volatility in copper and aluminium prices, which impacts the profitability and liquidity of players. Copper and aluminium account for 80%-85% of DCL’s product value. Therefore, the profitability of the company is vulnerable to fluctuations in the prices of these commodities, though the risk is mitigated to an extent by the presence of cost-plus pricing on order-to-order bases. Furthermore, the company places procurement orders only after it receives orders from clients, which minimises the impact of fluctuations. The end-users of DCL’s products include engineering, procurement and construction, power, industrial and railway sectors. Growth/consumption in these industries is linked to the economic environment; thus, any slowdown in economic growth could lead to a moderation in demand for electrical cables.

Intense Competition: The entry of new players in the segment and the aggressive market expansion strategies of existing players have led to higher competition in the industry. In addition, there are several small players operating in the industry as the entry barriers are low. The unorganised segment caters to a large portion of the cable and wires market, aggravating price competition. However, the sector is becoming increasingly organised, given the safety and performance requirements of products and the perceived value of branded products; this could lead to consolidation by large players. The competition from large players has restricted the company’s pricing flexibility, thus exerting pressure on its profitability. However, the company's vast experience in the segment and its diverse range of products have enabled it to grow swiftly in this segment.

Liquidity

Adequate: DCL's average maximum utilisation of the fund-based and non-fund-based limits was around 43% and 30%, respectively, during the 12 months ended September 2025. The cash flow from operations turned positive at INR435 million in FY25 (FY24: negative INR169 million) on account of favourable changes in working capital. Furthermore, despite the capex incurred on the solar project, the free cash flow turned positive at INR178 million in FY25 (FY24: negative INR392 million) on the back of improved operational performance. DCL had cash and liquid investments of INR478 million at end-September 2025 (at end-March 2025: INR443 million). It has repayment obligations of INR33.3 million in FY26, and nil thereafter in the absence of long-term external debt. The net working capital cycle improved to 95 days in FY25 (FY24: 115 days; FY23: 90 days), mainly on account of a decline in debtor days to 84 days (121 days).

Rating Sensitivities

Positive: A substantial improvement in the scale of operations and EBITDA margin, along with maintaining the overall credit metrics and liquidity profile, on a sustained basis, could lead to a positive rating action.

Negative: A substantial decline in the scale of operations and EBITDA margin, leading to deterioration in the overall credit metrics, with the adjusted net leverage (including bill discounting and Letter of credit acceptances) exceeding 2.0x and/or pressure on the liquidity position could lead to a negative rating action.

Any Other Information

Not applicable

About the Company

DCL was established as partnership firm, Dynamic Engineers, in 1986. It was converted into a private limited company in 2007, and then into a public limited company under the current name in 2017. The company manufactures and supplies conductors and cables, including low voltage cables, medium voltage cables, and high voltage cables, extra high voltage cables, power, control, instrumentation and signalling cables such as aerial bunches cables and railway signalling cables. It has three manufacturing facilities, of which two are located in Jaipur and one in Reengus.

Key Financial Indicators

Particulars	1HFY26	FY25	FY24
Revenue (INR million)	5436	10254	7680
EBITDA (INR million)	578	1054	773
EBITDA (%)	10.63	10.28	10.06
Interest coverage ratio (x)	10.46	6.90	3.73
Net adjusted leverage (including bill discounting and LC acceptances)	0.45	0.92	2.62
Source: DCL, Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings/Outlook	Historical Rating/Outlook		
				28 Aug 2024	19 Jan 2024	09 Jan 2024

Bank loan facilities	Long-term/ Short-term	INR3,560	IND A/Stable/ IND A1	IND A-/Stable/ IND A1	IND A-/Stable/ IND A1	IND A-/Stable/ IND A1

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process