



# DC Infotech and Communication Limited

Result Update Presentation  
Q2 & H1 FY24

# Disclaimer



*This presentation has been prepared by DC Infotech and Communication Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

*This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.*

*Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.*



# Company Overview



# Who we are...



## Architect of complete & customized Secured Intelligent Networks



### A leading network and security solutions provider

- Headquartered in Mumbai
- Enabling the secured digitization journey of Indian enterprises



### Business Model

- DC Infotech promotes innovation of new services – networking , data security, cyber security, network surveillance, unified communication, digital signage, wireless, firewall among other solutions & services



### Widespread Geographical Reach

- Pan-India reach with a strong presence in Western India with strategically located warehouses
- Strong technology tie-up with more than 12+ Business Partners
- 75 + Mid & Large enterprise customers across country



### Strong Sales Team

- Operates with channel network of more than 1,600 channel partners
- Sales representatives in Delhi, Kolkata, Bangalore, Chandigarh, Indore, Pune, Rajkot, Guwahati, Lucknow, Bhubaneshwar & Jaipur



# .. With customized Solutions Offered





# Experienced Management Team



**Mr. Chetankumar Timbadia**



## Managing Director

- Graduated with a degree of Bachelor of Engineering (Computer Engineering) from the Ramrao Adik Institute of Technology, New Bombay
- Over two decades of experience in Information technology (IT) sector

**Mr. Devendra Sayani**



## Whole Time Director

- Graduated with a degree of Bachelor of Engineering (Electronic Engineering) from the Ramrao Adik Institute of Technology, New Bombay
- Heads marketing and commercial relationship management departments of the Company

**Mr. Jayeshkumar Sayani**



## Non – Executive Director

- Graduated with a Degree of Bachelor of Commerce from University of Mumbai
- Experience in execution and management of wide variety of projects and to guide Management in formulation of Business Strategies

**Mr. Chandrashekar Gaonkar**



## Independent Director

- Completed FCA in 1987 and has over three decades of experience especially in Finance
- Former CFO at D-Link India Ltd and Head of Finance at CMS Traffic Ltd
- Experience in Finance, Audit, Administration, HR and ERP implementation, among others

**Ms. Lipee Rajani**



## Independent Director

- Holds a degree of Chartered Accountant from Institute of Chartered Accountant of India
- Vast experience in MIS Reporting, Planning of Funds for disbursement of expenses, Preparation of CMA data for CC Renewals, Budgeting of Incomes and Expenses, strategic planning, Debtors Ageing Analysis

**Ms. Sneha Chotai**



## Independent Director

- Completed her graduation in Bachelor in Financial Markets from University of Mumbai and MBA in Marketing from Balaji Institute of Management and Resource Development
- Vast experience and expertise in strategic planning, procurement and Management



# Key Strengths



## Brand Image

- Established as a trusted Solution Partner for OEMs over the years

## End-to-end networking & Security solutions with a strong Customer Support

- Value-added services include designing, POC, implementation and Pre & Post support

## Comprehensive range of product offering

- Single sourcing point offering entire range of networking, security solutions, and digital signage products from multiple vendors

## Long term vendor/client relationships

- Relationship with over 12 vendors, with several associations of over 10 years

## Robust IT infrastructure and sophisticated Management Information Systems (MIS)

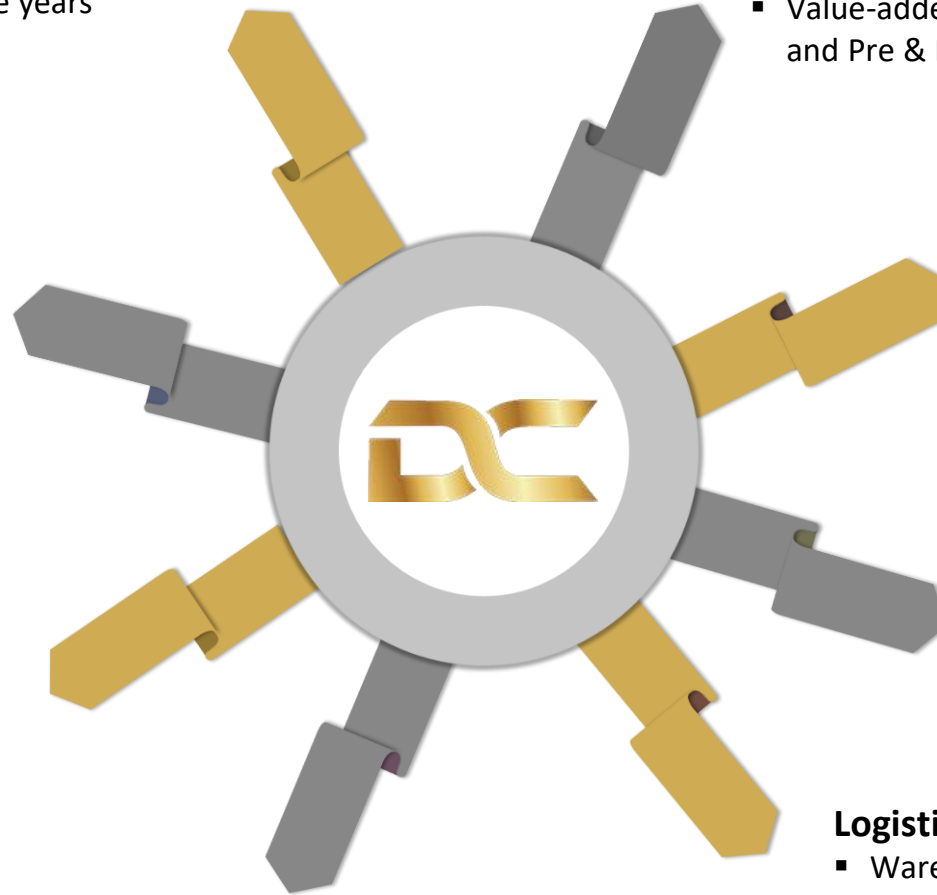
- Choice of quality products that are relevant to modern IT security systems and needs

## Logistics capabilities

- Warehouses across India ensure easy access and high penetration in market
- End-to-end logistics and own door delivery infrastructure enable time- and cost-efficient delivery

## Credit control and prudent risk management practices

- Dedicated team for risk and credit management





# Industry Overview

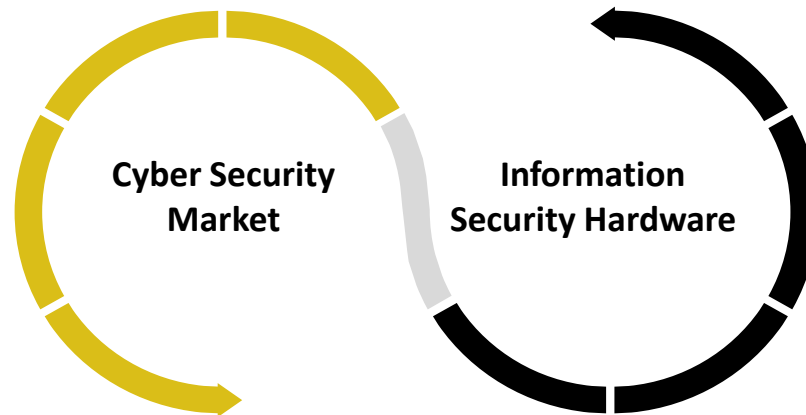




# Industry Overview



- The Global Cyber Security market size was valued at USD 153.65 billion in 2022. The market is projected to grow from USD 172.32 billion in 2023 to USD 424.97 billion in 2030, exhibiting a CAGR of 13.8% during the forecast period.
- The increasing demand for digitalization and scalable IT infrastructure and the ongoing need to tackle risks from various trends, such as third-party vendor risks, the evolution of MSSPs, and the adoption of a cloud-first strategy, lead to the rising demand for the market.
- The India Cybersecurity Market size is estimated at USD 3.97 billion in 2023, and is expected to reach USD 9.21 billion by 2028, growing at a CAGR of 18.33% during the forecast period (2023-2028).
- To combat issues like infrastructure breakdown due to cyberattacks, identity theft and ransomware, India has a strong and expanding cybersecurity ecosystem within a strong framework set up by the GoI, with private players offering several cybersecurity services and products.



- The global hardware security module (HSM) market revenue totaled US\$ 1.3 billion in 2022. The market is expected to reach US\$ 5.9 billion by 2033, exhibiting growth at a 16.5% CAGR between 2023 and 2033.
- The increasing usage of HSM in defense and government sectors has recently been identified as a critical reason for industry growth. To protect private and sensitive data from cyber assaults, hacking, and data breaches, the need for hardware security modules is growing across all industries.
- High online purchases and increased usage of e-banking are expected to drive the market. Major factor contributing growth of the hardware security module market is increasing concerns about data protection in all data-sensitive companies globally

Sources: <https://www.fortunebusinessinsights.com/industry-reports/cyber-security-market-101165>  
<https://www.mordorintelligence.com/industry-reports/india-cybersecurity-market>  
[Hardware Security Module Market Size & Outlook by 2033 | FMI \(futuremarketinsights.com\)](https://www.futuremarketinsights.com)  
<https://www.ibef.org/blogs/rising-focus-on-cybersecurity-in-india>



# Financial Highlights



# Q2 FY24 Financial Highlights



Rs. Cr	Q2 FY24	Q2 FY23	Y-o-Y%	Q1 FY24	Q-o-Q%
<b>Income from Operations</b>	110.43	89.32		92.68	
Other Operating Income	0.00	0.00		0.00	
<b>Total Income from Operations</b>	<b>110.43</b>	<b>89.32</b>	<b>23.64%</b>	<b>92.68</b>	<b>19.15%</b>
Raw material	101.83	82.07		85.42	
Employee Cost	2.35	2.01		1.85	
Operating Cost	0.94	1.81		1.53	
Total Expenditure	<b>105.12</b>	<b>85.89</b>		<b>88.81</b>	
<b>EBITDA</b>	<b>5.31</b>	<b>3.42</b>	<b>55.02%</b>	<b>3.86</b>	<b>37.29%</b>
<b>EBITDA Margin %</b>	<b>4.80%</b>	<b>3.83%</b>	<b>97 bps</b>	<b>4.17%</b>	<b>63 bps</b>
Other Income	0.08	0.03		0.02	
Depreciation	0.16	0.18		0.15	
Interest	1.03	0.71		0.92	
Exceptional Item	0.00	0.00		0.00	
<b>Profit Before Tax</b>	<b>4.20</b>	<b>2.56</b>		<b>2.82</b>	
Tax	1.07	0.67		0.71	
<b>PAT</b>	<b>3.13</b>	<b>1.89</b>		<b>2.11</b>	
Other Comprehensive Income	0.00	0.00		0.00	
<b>Net Profit</b>	<b>3.13</b>	<b>1.89</b>	<b>65.67%</b>	<b>2.11</b>	<b>48.27%</b>
<b>Net Profit Margin (%)</b>	<b>2.83%</b>	<b>2.11%</b>	<b>72 bps</b>	<b>2.28%</b>	<b>55 bps</b>
<b>Basic EPS in Rs.</b>	2.61	1.58	<b>65.19%</b>	1.76	<b>48.30%</b>

- Revenue growth driven by increased demand in all the segments
- EBITDA margins improved because of change in mix of products and brands coupled with decrease in other expenses



# Half-yearly Financial Highlights



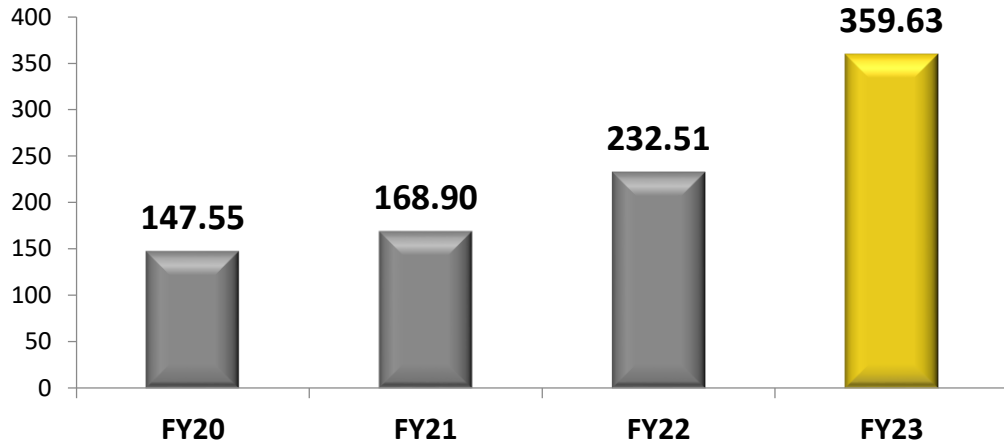
Rs. Cr	H1 FY24	H1 FY23	Y-o-Y
<b>Income from Operations</b>	203.10	179.53	
Other Operating Income	0.00	0.00	
<b>Total Income from Operations</b>	<b>203.10</b>	<b>179.53</b>	<b>13.13%</b>
Raw material	187.25	166.04	
Employee Cost	4.21	3.63	
Operating Cost	2.47	3.98	
Total Expenditure	<b>193.93</b>	<b>173.64</b>	
<b>EBITDA</b>	<b>9.17</b>	<b>5.89</b>	<b>55.82%</b>
<b>EBITDA Margin %</b>	<b>4.51%</b>	<b>3.28%</b>	<b>123 bps</b>
Other Income	0.10	0.05	
Depreciation	0.31	0.36	
Interest	1.95	1.23	
Exceptional Item	0.00	0.00	
<b>Profit Before Tax</b>	<b>7.01</b>	<b>4.35</b>	
Tax	1.77	1.12	
<b>PAT</b>	<b>5.24</b>	<b>3.24</b>	
Other Comprehensive Income	0.00	0.00	
<b>Net Profit</b>	<b>5.24</b>	<b>3.24</b>	<b>61.97%</b>
<b>Net Profit Margin (%)</b>	<b>2.58%</b>	<b>1.80%</b>	<b>78 bps</b>
<b>Basic EPS in Rs.</b>	<b>4.37</b>	<b>2.38</b>	<b>83.61%</b>



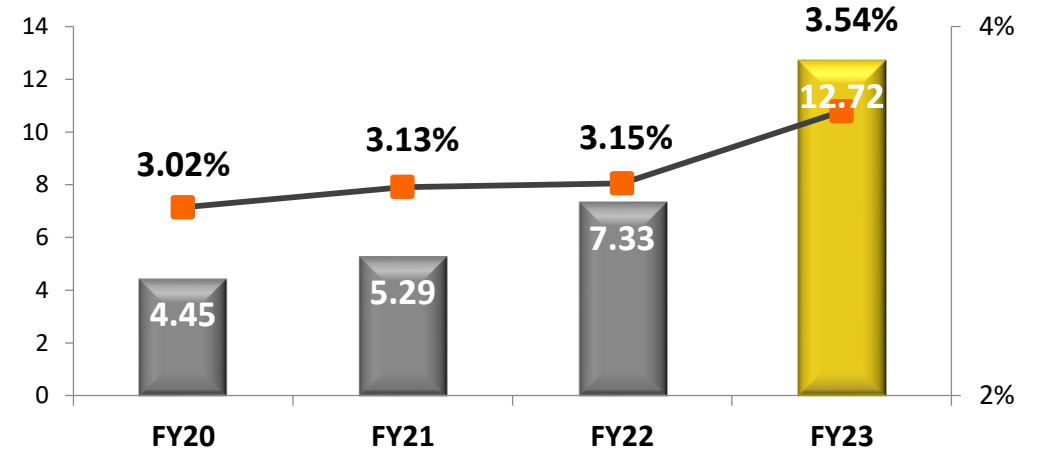
# Annual Performance Highlights



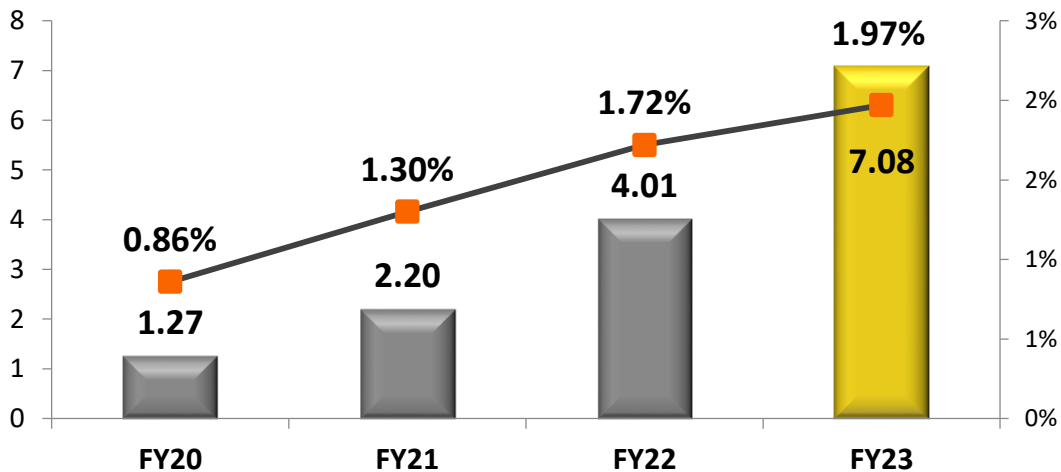
### Revenue (Rs. Cr.)



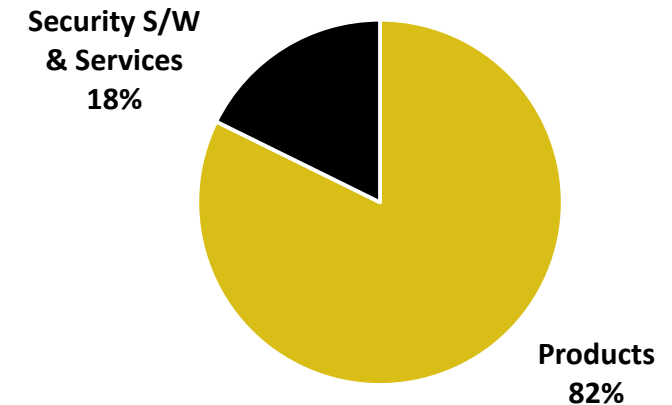
### EBITDA (Rs. Cr.) / Margin (%)



### PAT (Rs. Cr.) / Margin (%)



### FY23 Revenue Split





# Balance Sheet Highlights

To be Updated post Q2 FY24



Rs. Cr	As on 30 <sup>th</sup> September 2023	As on 31 <sup>st</sup> March 2023
<b>Equity</b>	<b>34.77</b>	<b>29.53</b>
Equity Share capital	12.00	12.00
Other Equity	22.77	17.53
Minority Interest	0.00	0.00
<b>Non-current liabilities</b>	<b>3.46</b>	<b>2.49</b>
Long term borrowings	3.46	2.49
Other Long term liabilities	0.00	0.00
Other Long term provisions	0.00	0.00
<b>Current liabilities</b>	<b>129.57</b>	<b>108.00</b>
Short Term Borrowings	32.05	23.52
Trade Payables	87.92	79.06
Other Financial liabilities	4.96	1.96
Other Current liabilities	2.65	0.87
Short-term provisions	0.16	0.12
Current Tax liabilities (Net)	1.82	2.47
<b>Total Equities &amp; Liabilities</b>	<b>167.79</b>	<b>140.02</b>

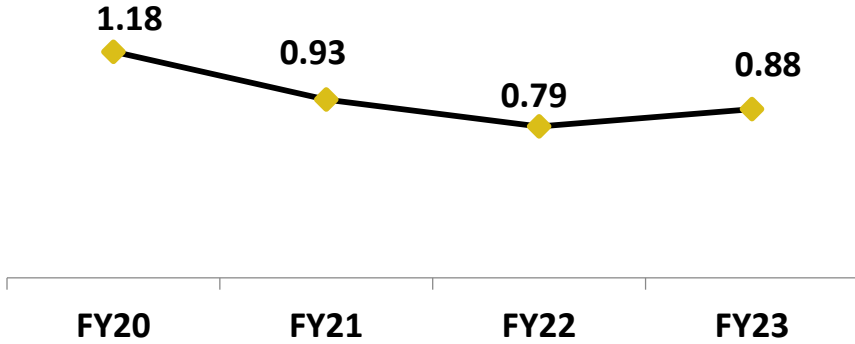
Rs. Cr	As on 30 <sup>th</sup> September 2023	As on 31 <sup>st</sup> March 2023
<b>Non-current assets</b>	<b>1.47</b>	<b>1.65</b>
Property, Plant and Equipment	1.19	1.40
Intangible Assets	0.00	0.00
Non-current Investments	0.00	0.00
Net Deferred Tax Assets	0.27	0.24
Long-term loans & advances	0.00	0.00
Other non-current assets	0.00	0.00
<b>Current assets</b>	<b>166.32</b>	<b>138.37</b>
Inventories	64.50	54.23
Trade receivables	85.15	71.00
Cash, Cash equivalents & Bank balances	5.63	3.46
Bank Balances other than above	0.00	0.00
Other Financial assets	0.27	0.20
Other Current Assets	10.77	9.48
<b>Total Assets</b>	<b>167.79</b>	<b>140.02</b>



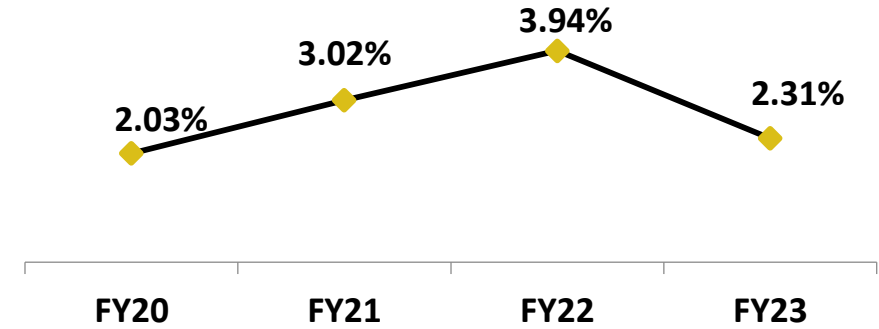
# Key Return Ratios



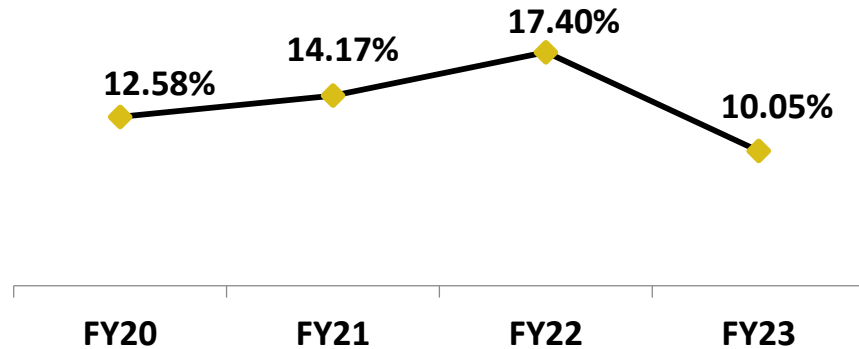
Debt/Equity (x)



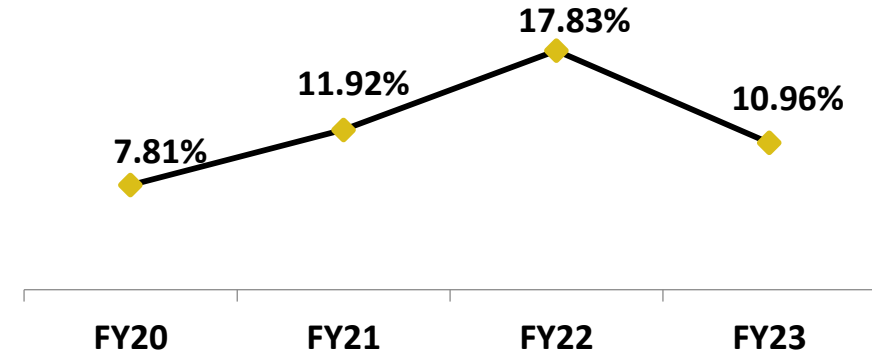
RoA (%)



RoCE (%)



RoE (%)



ROE = Net Profit/ Net Worth, ROA = Net Profit/ Total Assets, RoCE = EBIT/(Shareholders fund + long term borrowing + short term borrowing- Non-current investment)  
Debt/Equity = Total Debt/Shareholders Fund

**Way Ahead**







# Journey So Far



**1998** -DC infotech  
Founded  
**1999** - Got D-Link  
sub distribution

1998-99

2005-08

**2005** -Top  
Gigabyte partner  
in all India  
**2008** - Sonicwall  
premium partner

**2009** -Got Channel  
world premier 100  
award  
**2010** - Appointed D-Link  
Distribution business

2009-10

2015-16

**2015** -Awarded with  
Dell security best  
performance partner  
**2015** - Branch  
opened at  
Ahmedabad  
**2016** - Upgraded to  
digital signage  
platinum partner by  
Samsung

**2017** -Netgear National  
value added distribution  
100 crore turnover  
achieved  
**2017** - Received Crisil  
Rating MSE2  
**2017** - Netscout  
premium partner  
**2018** - Upgraded to  
Zscaler premium partner

2017-18

2019-21

**2019** -Delta emerging  
partner  
**2019** - Listed on NSE  
Emerge Board  
**2021** - Won many  
new projects  
including from  
Maruti Suzuki  
Gujarat & Bluestar  
for Zscaler, & from  
Tata Play for  
NetScout

2023

- Won Excellent SMB Partner award from D-Link
- Opened new branch in Surat, India
- Ranks 13th in India's Growth Champions 2023 at Nation's Fastest Growing Companies India
- Bags new orders from prestigious clients for Netscout”
- Enters into a partnership with Array Networks to offer entire suite of network solutions across
- Received Udhyam Ratna Award



# Way Ahead



## Aspires to be an Intelligent Secured Services Partner ....



Stage  
01

### Growing Product Portfolio in existing verticals

- Increasing pocket share with existing and new solutions and technologies
- Adding new high-growth-potential products in line with changes in technology trends
- Distributing revenue mix from multiple solutions to reduce dependence on one



Stage  
02

### Foray into new verticals and business lines

- Use core competencies developed in networking & security solutions, in other promising verticals – secured access, SaaS, Software Defined-WAN, Cloud Security, SSN VPN, AV over IP Network Solutions
- Value-added solutions would serve as key differentiator in other verticals – hybrid workplaces, cloud + data centers



Stage  
03

### Exploring new regions and geographies

- Expand footprint across India to become nationwide player
- 'Digital India' initiative and 5G Networking Services enables huge demand for Networking & Security



Stage  
04

### Focus on niche products

- Focus on high margin, high-value brands such as Samsung, NetScout, Zscaler etc.
- Increase focus on enterprise-class solutions
- Expand omni-channel network covering solution partners, integrators and corporates

... leading the transformation in the global networking industry 18



# Thank You !



For further information, please contact:

**Mr. Bhavesh Singh**

Company Secretary & Compliance Officer

DC Infotech and Communication Ltd

Website: [www.dcinfotech.com](http://www.dcinfotech.com)