

CMP: INR 0.70

Stock data

BSE code	534674
BSE ID	DYNACONST
Face value (INR)	10
No of shares (m)	59.4
Market cap (INRM)	41.6
3m avg. daily vol (No)	1813
Free float (INRM)	21.9
Dividend yield FY13 (%)	0
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S&P BSE Sensex	19,379.8

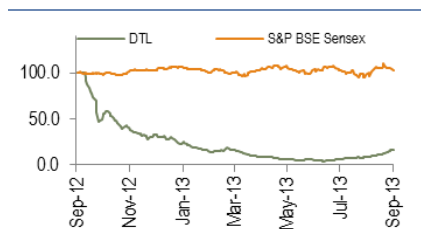
Stock performance (%)

52-week H/L	INR4.5/0.2		
	1M	3M	12M
Absolute (%)	89.2	180.0	-83.7
Relative (%)	85.1	180.1	-86.7

Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
47.42%	0.00%	0.00%	52.58%

Relative stock movement



Source: BSE

Company Overview

Dynacons Technologies Ltd is an upcoming value and service provider. It plays an important role between vendor and reseller through its functions of technical support, volume procurement and marketing initiatives. The Company was incorporated on 2nd April 2009 and its registered office is located at Vile Parle (W) Mumbai. In the near future, the Company plans to have a pan India presence. It is supported by a team of Professionals with expertise in IT Products. Main objectives of the Company are to provide complete solutions in computer operations and related business activities. It also plans to get involved in sale, import, export of Computer Software and all varieties of Information Technology Services. The Company does not have any subsidiary. It was listed on BSE on 9th October, 2013. Anjaria family and Mr. Parag. J. Dalal are the promoters of the Company.

Q1FY14 performance

- Net revenue increased by 5.2% YoY from INR76.0m in Q1FY13 to INR79.9m in Q1FY14. However, it decreased by 11.1% QoQ.
- Raw material cost increased by 6.0% YoY from INR69.0m in Q1FY13 to INR73.2m in Q1FY14. However, it decreased by 11.7% QoQ. Staff cost decreased by 13.0% YoY from INR1.1m in Q4FY13 to INR0.9m in Q1FY14. However, it increased by 4.9% YoY. Other expenditure decreased by 37.5% YoY, 44.3% QoQ to INR0.6m in Q1FY14.
- Operating profit increased by 1.9% YoY, 6.6% QoQ to INR5.2m in Q1FY14.
- Depreciation decreased by 15.1% YoY from INR2.6m in Q1FY13 to INR2.3m in Q1FY14. Interest expenses increased by 24.5% YoY to INR2.7m in Q1FY14.
- Net profit decreased by 9.1% YoY, 46.7% QoQ to INR0.2m in Q1FY14.
- In the 4th Annual General Meeting on 30th September, 2013, Mr. Viren Shah was re-appointed as Director of the Company. M/s P. C. Ghadiali & Co. was re-appointed as auditor of the Company. The Company also increased authorised share capital from INR60m to INR80m by creation of 20m equity shares of INR1.0. As a result, now it has 80m equity shares of INR1.0 each. It increased the NRI/FII limit to 75%. Mr. Aron Govil was allotted 1.9m shares of INR1.0 each on a preferential basis.

Table 1: Q1FY14 snapshot

(INRM)	Q1FY14	Q1FY13	YoY %	Q4FY13	QoQ%	FY13	FY12	YoY %
Revenue	79.9	76.0	5.2	89.9	-11.1	321.5	242.9	32.4
EBITDA	5.2	5.1	1.9	4.9	6.6	19.9	17.9	10.7
PAT (Adjusted)	0.2	0.3	-9.1	0.4	-46.7	1.1	1.4	-20.9
PAT (Reported)	0.2	0.3	-9.1	0.4	-46.7	1.1	1.4	-20.9
Ratio								
% of sales	Q1FY14	Q1FY13	YoY %	Q4FY13	QoQ%	FY13	FY12	YoY %
Raw Material	91.6	90.9	0.7	92.2	-0.6	91.7	90.3	1.4
Staff Cost	1.2	1.2	0.0	1.2	0.0	1.2	1.3	-0.2
Other Expenditure	0.7	1.2	-0.5	1.2	-0.4	1.0	1.0	0.0
EBITDA	6.5	6.7	-0.2	5.4	1.1	6.2	7.4	-1.2
Tax Rate	20.0	18.5	1.5	33.8	-13.8	26.0	28.7	-2.8
NPM	0.3	0.3	0.0	0.5	-0.2	0.4	0.6	-0.2

Source: Company, Varhad Research

October 2013

Quarterly performance in charts and tables

Table 2: Detailed Q1FY14 Overview

	Q1FY14	Q1FY13	YoY %	Q4FY13	QoQ%	FY13	FY12	YoY %
Revenue	79.9	76.0	5.2	89.9	-11.1	321.5	242.9	32.4
Raw Material Cost	73.2	69.0	6.0	82.8	-11.7	294.7	219.3	34.4
Staff Cost	0.9	0.9	4.9	1.1	-13.0	3.8	3.2	16.6
Other Expenditure	0.6	0.9	-37.5	1.1	-44.3	3.2	2.4	34.1
Total Cost	74.7	70.9	5.4	85.0	-12.1	301.7	224.9	34.1
EBITDA	5.2	5.1	1.9	4.9	6.6	19.9	17.9	10.7
Depreciation	2.3	2.6	-15.1	1.9	17.8	8.8	8.3	6.4
EBIT	3.0	2.5	20.3	3.0	-0.7	11.1	9.7	14.4
Interest Expenses	2.7	2.1	24.5	2.3	15.7	9.5	7.6	24.5
Non-Operating Income	0.0	0.0	*	0.0	*	0.0	0.0	*
PBT	0.3	0.3	-7.4	0.7	-55.9	1.5	2.0	-23.8
Provision for Tax	0.1	0.1	0.0	0.2	-73.9	0.4	0.6	-31.2
PAT (Adjusted)	0.2	0.3	-9.1	0.4	-46.7	1.1	1.4	-20.9
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Reported)	0.2	0.3	-9.1	0.4	-46.7	1.1	1.4	-20.9

Note: (*) Not Applicable, Source: BSE, Varhad Research

Chart 1: Sales trend

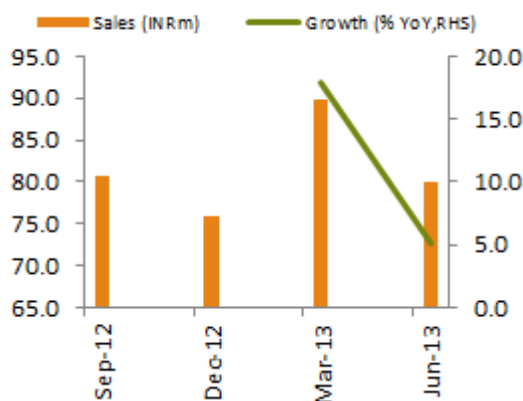


Chart 2: EBITDA trend#

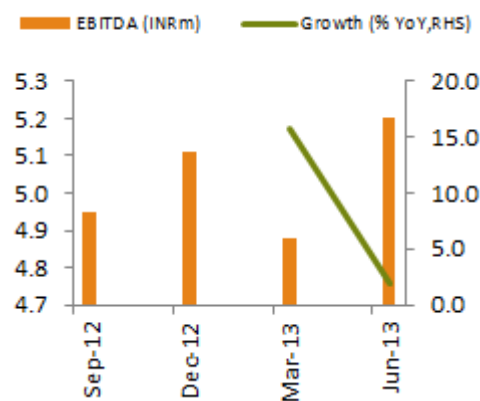


Chart 3: Margin trend

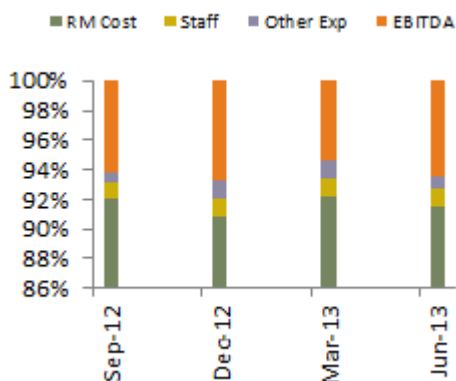
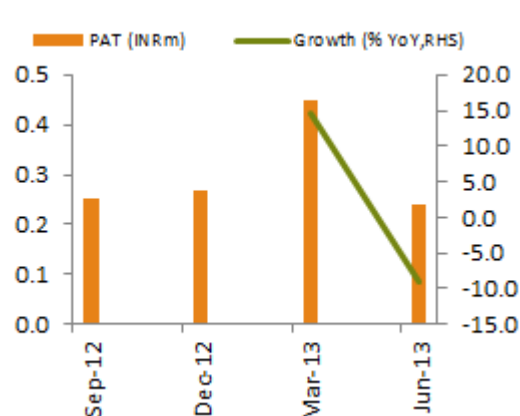


Chart 4: PAT trend#



Note: (#) Data is not available for Dec'12 and earlier quarters, Source: Company, Varhad Research

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