

October 20, 2023

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Company Code No.: 543268	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Company Symbol: DRCSYSTEMS
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Dear Sir/ Ma'am,

Sub: Outcome of Board Meeting

Pursuant to Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform that the Board of Directors at its Meeting held today i.e. October 20, 2023 has considered, approved and taken on record the Unaudited (Standalone and Consolidated) Financial Results for the quarter and half year ended on September 30, 2023 together with the Limited Review Report from the Statutory Auditors.

Pursuant to Regulation 33 of the Listing Regulations, we enclose herewith the following:

- a) A copy of Unaudited (Standalone and Consolidated) Financial Results for the quarter and half year ended on September 30, 2023.
- b) Limited Review Report issued by the Statutory Auditors.
- c) A copy of Press Release.

The Board Meeting commenced at 11.00 a.m. and concluded at 12.20 p.m.

The above intimation is also available on the website of the Company at www.drcsystems.com

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For DRC Systems India Limited

Jainam Shah
Company Secretary

Encl.: As above



Independent Auditor's Review Report on the Quarterly unaudited standalone financial results of DRC SYSTEMS INDIA LIMITED for the quarter ended September 30, 2023 and year to date results for the period from April 01, 2023 to September 30, 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors

DRC SYSTEMS INDIA LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of DRC SYSTEMS INDIA LIMITED ("the Company"), for the quarter ended September 30, 2023 and year to date results for the period from April 01, 2023 to September 30, 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulations 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Company's management has been reviewed by the Audit Committee and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedures performed as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Ahmedabad
Date : 20/10/2023
UDIN : 23046922BGUEZP8202

For Rajpara Associates
Chartered Accountants
FRN 113428W

CHANDRA
MAULIN J
RAJPARA

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J RAJPARA
Date: 2023.10.20
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C J Rajpara
Partner
M. No. 046922

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Standalone Unaudited Financial Results for the Quarter and Six Months Ended September 30, 2023

(Rupees in lakhs, except per share data and if otherwise stated)

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	Income from operations	902.5	642.1	531.5	1,544.6	978.7	2,181.8
	Total income from operations	902.5	642.1	531.5	1,544.6	978.7	2,181.8
2	Other income	0.8	0.9	(3.5)	1.7	11.1	422.8
3	Total income (1+2)	903.3	643.0	528.0	1,546.3	989.8	2,604.6
4	Expenses						
	Employee benefits expenses	408.3	408.6	250.7	817.0	454.4	1,099.5
	Contracting expenses	232.6	20.8	41.8	253.4	82.2	476.4
	Finance costs	1.6	1.3	24.7	2.8	51.7	62.1
	Depreciation and amortisation expenses	60.6	40.6	26.1	101.2	51.4	118.5
	Other expenses	55.6	54.1	65.9	109.7	129.3	281.9
	Total expenses	758.7	525.4	409.2	1,284.1	769.0	2,038.4
5	Profit/(Loss) before exceptional item and tax (3-4)	144.6	117.6	118.8	262.2	220.8	566.2
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	144.6	117.6	118.8	262.2	220.8	566.2
8	Tax expenses	36.7	30.4	35.0	67.1	67.1	146.1
9	Profit/(Loss) after tax (7-8)	107.9	87.2	83.8	195.1	153.7	420.1
10	Other Comprehensive Income/(Expenses) (net of tax)						
	Items that will not be reclassified to Profit or loss						
	-Remeasurements of the defined benefit plans	-	-	-	-	-	(6.7)
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-	-
11	Other comprehensive income, net of tax	-	-	-	-	-	(6.7)
12	Total Comprehensive Income for the Period (after tax) (9+11)	107.9	87.2	83.8	195.1	153.7	413.4
13	Paid-up equity share capital (Face Value of the share Re. 1/- each)	439.0	439.0	386.5	439.0	386.5	439.0
14	Other equity						2,731.9
15	Earnings per share (not annualised for the quarter)						
	(a) Basic	0.25	0.20	0.22	0.44	0.40	1.03
	(b) Diluted	0.24	0.20	0.22	0.44	0.39	1.02
	<i>See accompanying notes to the financial results</i>						

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Standalone Unaudited Assets And Liabilities as at September 30, 2023

(Rupees in Lakhs)

PARTICULARS	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
ASSETS		
I. Non-current assets		
Property, plant and equipments	25.6	21.7
Right-of-use assets	77.9	57.4
Other intangible assets	836.5	383.7
Financial assets		
Investments	2,000.3	2,000.3
Other financial assets	18.5	17.8
Income tax assets (net)	75.0	63.1
Total non-current assets	3,033.8	2,544.0
II. Current assets		
Financial assets		
Trade receivables	459.6	425.0
Cash and cash equivalents	325.1	206.9
Others financial assets	207.6	456.4
Other current assets	52.7	13.0
Total current assets	1,045.0	1,101.3
Total Assets	4,078.8	3,645.3
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	439.0	439.0
Other equity	2,972.9	2,731.9
Total equity	3,411.9	3,170.9
LIABILITIES		
I. Non-current liabilities		
Financial liabilities		
Other financial liabilities	72.8	51.5
Provisions	57.1	50.4
Deferred tax liabilities (net)	65.3	58.5
Total non-current liabilities	195.2	160.4
II. Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	3.2	15.0
Total outstanding dues to other than micro and small enterprises	191.9	82.4
Other financial liabilities	141.0	131.3
Other current liabilities	89.4	62.0
Provisions	23.3	23.3
Current tax liabilities (net)	22.9	-
Total current liabilities	471.7	314.0
Total Equity and Liabilities	4,078.8	3,645.3

See accompanying notes to the financial results

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Standalone Unaudited Cash Flows for the Six Months Ended September 30, 2023

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Six Month Ended September 30, 2023	Six Month Ended September 30, 2022
		(Unaudited)	(Unaudited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	262.2	220.9
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	101.2	51.4
	Employee stock option expense	46.0	23.9
	Finance cost	2.8	51.7
	Interest income	(0.2)	(0.2)
	Unrealised foreign currency loss / (gain) - net	(0.5)	1.8
	Balances written off	3.4	-
	Operating Profit before Working Capital Changes	414.9	349.5
	Adjustments for:		
	Changes in trade & other payables	97.7	-
	Changes in trade receivables	(34.2)	290.6
	Changes in other current & non current assets	305.4	(213.2)
	Changes in other current & non current liabilities and provisions	65.0	23.7
	Net Changes in Working Capital	433.9	101.1
	Cash Generated from Operations	848.8	450.6
	Direct taxes paid	(49.3)	(50.6)
	Net Cash (used in) Operating Activities (A)	799.5	400.0
B	Cash Flow from Investing Activities		
	Payment for acquisition of property, plant and equipment and intangible asset (including capital work-in-progress and intangible under development)	(578.4)	(199.2)
	Interest received	0.2	0.2
	Fixed deposits with bank (net)	(0.2)	-
	Investments in/ advance for equity instruments (net)	(100.1)	(22.7)
	Net cash (used in) Investing Activities (B)	(678.5)	(221.7)
C	Cash Flow from Financing Activities		
	Finance cost	(2.8)	(2.9)
	Proceeds/(Repayment) of borrowings	-	(190.0)
	Net Cash (used in) Financing Activities (C)	(2.8)	(192.9)
	Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	118.2	(14.6)
	Cash & Cash equivalent at the beginning of the period	206.9	50.5
	Cash & Cash equivalent at the end of the period	325.1	35.9

Notes:

- 1 The above statement of unaudited standalone financial results for the quarter and six months ended September 30, 2023 ('the Statement') of DRC Systems India Limited ('the Company') are reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at its meeting held on October 20, 2023. The report has been filed with the stock exchanges and is available on the Company's website at "www.drcsystems.com".
- 2 In accordance with Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Company operates in one business segment i.e. IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services, which is reflected in the above results.
- 3 The figures for comparative period/year have been regrouped/ reclassified, wherever necessary, to make them comparable.

**For and on behalf of Board of Directors of
DRC Systems India Limited**

HITEN ASHWIN
BARCHHA

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Date: October 20, 2023
Place: Gandhinagar

**Hiten A. Barchha
Managing Director
DIN: 05251837**



Independent Auditor's Review Report on the Quarterly unaudited consolidated financial results of DRC SYSTEMS INDIA LIMITED for the quarter ended September 30, 2023 and year to date results for the period from April 01, 2023 to September 30, 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors

DRC SYSTEMS INDIA LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of DRC SYSTEMS INDIA LIMITED ("the Parent") and its subsidiaries (the holding company and subsidiaries together referred to as 'the group'), for the quarter ended September 30, 2023 and year to date results for the period from April 01, 2023 to September 30, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Parent's management has been reviewed by the Audit Committee and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. The Statement includes the financial results of the following subsidiaries:

Sr. No.	Name of Entity	Relationship	% holding
1	DRC Systems EMEA LLC-FZ	Subsidiary	100.00 %
2	DRC Systems USA LLC (w.e.f. July 17, 2023)	Subsidiary	100.00 %

5. We did not review the interim financial results of the Subsidiaries included in the Consolidated Unaudited Financial Results, whose interim financial results (before consolidated adjustments) reflect total assets of Rs. 582.26 lakh as at September 30, 2023, total revenue of Rs. 207.00 lakh and Rs. 365.83 lakh, total net profit after tax of Rs. 40.26 lakh and Rs. 64.51 lakh and total comprehensive income of Rs. 40.26 lakh and Rs. 64.51 lakh for the quarter ended on September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, and cash inflow of Rs. 180.32 lakh for the period April 01, 2023 to September 30, 2023, as considered in the Statement.

These interim financial results and other financial information have been reviewed by other auditor, whose reports have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors.

Our conclusion is not modified in respect of this matter.

6. The interim financial statements of subsidiaries which is located outside India have been prepared in accordance with accounting principles generally accepted in that country ("local GAAP") and have been reviewed by another auditor under generally accepted auditing standards applicable in that country. The Parent's management has converted the interim financial statements of this subsidiary from the local GAAP to the Accounting Principles Generally Accepted in India. We have reviewed these conversion adjustments made by the Parent's Management. Our conclusion in so far as it relates to the amounts and disclosures of this subsidiary is based on the report of the other auditor and the conversion adjustments carried out by the Management of the Holding Company and reviewed by us. Our conclusion is not modified in respect of this matter.

7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Ahmedabad
Date : 20/10/2023
UDIN : 23046922BGUEZO5345

For Rajpara Associates
Chartered Accountants
FRN 113428W

CHANDRA MAULIN J RAJPARA
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C J Rajpara
Partner
M. No. 046922

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Consolidated Unaudited Financial Results for the Quarter and Six Months Ended September 30, 2023

(Rupees in lakhs, except per share data and if otherwise stated)

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	Income from operations	989.2	710.6	574.0	1,699.8	1,021.2	2,562.5
	Total income from operations	989.2	710.6	574.0	1,699.8	1,021.2	2,562.5
2	Other income	1.5	1.3	(3.5)	2.8	11.1	422.8
3	Total income (1+2)	990.7	711.9	570.5	1,702.6	1,032.3	2,985.3
4	Expenses						
	Employee benefits expenses	444.6	447.6	285.5	892.2	489.2	1,203.7
	Contracting expenses	233.0	20.9	41.8	253.9	82.2	480.3
	Finance costs	1.6	1.3	24.7	2.8	51.7	62.1
	Depreciation and amortisation expenses	62.5	42.5	26.1	105.0	51.4	120.1
	Other expenses	64.2	57.8	69.8	121.9	133.2	292.9
	Total expenses	805.9	570.1	447.9	1,375.8	807.7	2,159.1
5	Profit/(Loss) before exceptional items/ share in net profit/ (loss) of associates and tax (3-4)	184.8	141.8	122.6	326.8	224.6	826.2
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before share in net profit/ (loss) of associates and tax (5-6)	184.8	141.8	122.6	326.8	224.6	826.2
8	Share in net profit / (loss) of associate	-	-	-	-	-	(10.7)
9	Profit/(Loss) before tax (7-8)	184.8	141.8	122.6	326.8	224.6	815.5
10	Tax expenses	36.7	30.4	35.1	67.1	67.1	146.1
11	Profit/(Loss) after tax (9-10)	148.1	111.4	87.5	259.7	157.5	669.4
12	Other Comprehensive Income/(Expenses) (net of tax)						
	Items that will not be reclassified to Profit or loss						
	-Remeasurements of the defined benefit plans	-	-	-	-	-	(6.7)
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-	-
13	Other comprehensive income, net of tax	-	-	-	-	-	(6.7)
14	Total comprehensive income for the Period (after tax) (11+13)	148.1	111.4	87.5	259.7	157.5	662.7
15	Profit for the period / year attributable to:						
	Owners of the company	148.1	111.4	87.5	259.7	157.5	669.4
	Non-controlling Interest	-	-	-	-	-	-
16	Other comprehensive income/ (loss) attributable to:						
	Owners of the company	-	-	-	-	-	(6.7)
	Non-controlling Interest	-	-	-	-	-	-
17	Total Comprehensive Income/ (Expenses) attributable to:						
	Owners of the company	148.1	111.4	87.5	259.7	157.5	662.7
	Non-controlling Interest	-	-	-	-	-	-
18	Paid-up equity share capital (Face Value of the share Re. 1/- each)	439.0	439.0	386.5	439.0	386.5	439.0
19	Other equity						2,988.5
20	Earnings per share (not annualised for the quarter)						
	(a) Basic	0.34	0.25	0.23	0.59	0.41	1.64
	(b) Diluted	0.33	0.25	0.22	0.59	0.40	1.63

See accompanying notes to the financial results

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Consolidated Unaudited Assets And Liabilities as at September 30, 2023

(Rupees in Lakhs)

PARTICULARS	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
ASSETS		
I. Non-current assets		
Property, plant and equipments	25.9	22.1
Right-of-use assets	77.9	57.4
Other intangible assets	905.9	455.1
Intangible assets under development	-	-
Financial assets	-	-
Investments	1,978.1	1,966.9
Other financial assets	18.5	17.8
Income tax assets (net)	75.0	63.1
Total non-current assets	3,081.3	2,582.4
II. Current assets		
Financial assets		
Trade receivables	537.8	572.9
Cash and cash equivalents	535.4	236.8
Others financial assets	215.3	466.5
Other current assets	125.0	47.3
Total current assets	1,413.5	1,323.5
Total Assets	4,494.8	3,905.9
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	439.0	439.0
Other equity	3,302.6	2,988.5
Total equity	3,741.6	3,427.5
LIABILITIES		
I. Non-current liabilities		
Financial liabilities		
Other financial liabilities	72.8	51.5
Provisions	57.1	50.4
Deferred tax liabilities (net)	65.3	58.5
Total non-current liabilities	195.2	160.4
II. Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	3.2	15.0
Total outstanding dues to other than micro and small enterprises	191.9	82.4
Other financial liabilities	143.8	131.3
Other current liabilities	172.8	66.0
Provisions	23.3	23.3
Current tax liabilities (net)	23.0	-
Total current liabilities	558.0	318.0
Total Equity and Liabilities	4,494.8	3,905.9
See accompanying notes to the financial results		

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Consolidated Unaudited Cash Flows for the Six Months Ended September 30, 2023

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Six Month Ended September 30, 2023	Six Month Ended September 30, 2022
		(Unaudited)	(Unaudited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	326.7	224.6
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	105.0	51.4
	Employee stock option expense	46.0	23.9
	Finance cost	2.8	51.7
	Interest income	(0.2)	(0.2)
	Unrealised foreign currency loss / (gain) - net	5.2	1.8
	Balances Written off	3.8	-
	Operating Profit before Working Capital Changes	489.3	353.2
	Adjustments for:		
	Changes in trade & other payables	97.7	-
	Changes in trade receivables	26.2	268.4
	Changes in other current & non current assets	273.0	(251.7)
	Changes in other current & non current liabilities and provisions	147.2	63.5
	Net Changes in Working Capital	544.1	80.2
	Cash Generated from Operations	1,033.4	433.4
Direct taxes paid	(49.3)	(50.6)	
Net Cash (used in) Operating Activities (A)	984.1	382.8	
B	Cash Flow from Investing Activities		
	Payment for acquisition of property, plant and equipment and intangible asset (including capital work-in-progress and intangible under development)	(571.4)	(199.2)
	Investments in/ advance for equity instruments (net)	(111.3)	
	Interest received	0.2	0.2
	Fixed deposits with bank (net)	(0.2)	
Net cash (used in) Investing Activities (B)	(682.7)	(199.0)	
C	Cash Flow from Financing Activities		
	Finance Cost	(2.8)	(2.9)
	Proceeds/ Repayment of borrowings	-	(190.0)
	Net Cash (used in) Financing Activities (C)	(2.8)	(192.9)
	Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	298.6	(9.1)
	Cash & Cash equivalent at the beginning of the period	236.8	50.5
	Cash & Cash equivalent at the end of the period	535.4	41.4

Notes:

- 1 The above statement of unaudited consolidated financial results for the quarter and six months ended September 30, 2023 ('the Statement') of DRC Systems India Limited ('the Company') and its subsidiaries ('the Group') are reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at its meeting held on October 20, 2023. The report has been filed with the stock exchanges and is available on the Company's website at "www.drcsystems.com".
- 2 In accordance with Ind AS-108 - "Operating Segments" and evaluation by the Chief Operating Decision Maker, the Group operates in one business segment i.e. IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services, which is reflected in the above results.
- 3 The figures for comparative period/year have been regrouped/ reclassified, wherever necessary, to make them comparable.

**For and on behalf of Board of Directors of
DRC Systems India Limited**

HITEN ASHWIN
BARCHHA



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**Hiten A. Barchha
Managing Director
DIN: 05251837**

**Date: October 20, 2023
Place: Gandhinagar**

MEDIA RELEASE

DRC Systems India Limited Announces Financial Results for the Second Quarter FY 2023-24

- Consolidated income for the quarter up 72 % Y-o-Y to INR 989 Lacs.
- Consolidated profit after tax for the quarter up 68 % Y-o-Y to INR 148 Lacs.
- Consolidated EBITDA for the quarter up 44 % Y-o-Y to INR 250 Lacs.

Gandhinagar, India, 20 October 2023: Information Technology and Software Consultancy Services provider, DRC Systems India Limited “DRC Systems”, “the Company” today announced its unaudited financial results for the second quarter and six months ended September 30, 2023.

Consolidated Financial Highlights – Quarter and Six Months ended September 30, 2023

Figures in INR Lacs

Particulars	Q2 FY'24	Q2 FY'23	% change Y-o-Y	Q1 FY'24	% change Q-o-Q	6M FY'24	6M FY'23	% change Y-o-Y
Revenue from Operations	989	574	72%	711	39%	1700	1021	67%
EBITDA	250	174	44%	186	34%	435	328	33%
Profit Before Tax	185	123	50%	142	30%	327	225	45%
Profit After Tax	148	88	68%	111	33%	260	158	65%
Net Margin	15%	15%		16%		15%	15%	

Consolidated Performance Review for the quarter:

- Company’s revenue from operations was INR 989 Lacs during the quarter, up 72% Y-o-Y and up 39% Q-o-Q primarily due to strong growth witnessed export markets.
- Revenue for the six-month period grew 67% Y-o-Y from INR 1021 Lacs to INR 1700 Lacs.
- EBITDA for the company improved by 44% from INR 174 Lacs in Q2 FY'23 to INR 250 Lacs in the current quarter, whereas 6M EBITDA grew by 33% from INR 328 Lacs to INR 435 Lacs.
- Profit after tax for the quarter was INR 148 Lacs up 68% YoY and Profit after tax for the 6M period was up 65% Y-o-Y at INR 260 Lacs with the support of favorable sales growth, improving productivity and maximizing operating performance.

“DRC Systems India Limited has achieved remarkable growth in both the Dubai and USA markets during the second quarter of the fiscal year 2023-24. Notably, the annual growth rate of the Information Technology (IT) service market in the USA was estimated at approximately 6.70%, and it is anticipated to reach a value of US\$ 454.70 billion by the conclusion of 2023. Of significant note, the IT outsourcing sector constitutes a substantial portion of this market, and DRC Systems India Limited has successfully penetrated this domain.

During the second quarter of the fiscal year 2023-24, DRC Systems USA LLC was established and, from its inception, experienced commendable sales growth. From a strategic perspective, the company's decision to enter the USA market by establishing a subsidiary yielded immediate and promising results. Dubai, is currently witnessing a surge in new customers, which can be attributed to the broader trend of digitalization sweeping across the Middle East, a transformation spurred by concerted government initiatives. As a result, the business landscape in this region is rapidly evolving, transitioning into a more digitally-driven economy. With the widespread adoption of digital technologies in nations across the Middle East, DRC Systems is well positioned to harness the economic advantages of this burgeoning digital marketplace.

Simultaneously, DRC Systems has seen a substantial increase in outsourcing service opportunities from European Union countries, the United Kingdom, and Australia. This escalation in demand can be attributed to Western economy's companies' mounting pressure to curtail costs within their operations. Although the sales of our software solutions have remained relatively stable within the European Union, the UK, and Australian markets, our consulting services (specifically, our outsourcing services) have experienced a significant upswing. This development has contributed substantially to our top-line growth.

We expect this trend to continue in the coming quarters as well and we expect to witness exponential growth coming from both local and international businesses," **said Hiten Barchha, Managing Director, DRC Systems India Limited.**

About DRC Systems India Limited

DRC Systems is an IT services and Consultancy Company in India focused on providing viable and lasting solutions to businesses. We are focused on innovation and creativity to lead the change, since its advent in 2012. With competent teams of developers, project managers, and strategists, we help our customers overcome their business challenges with customized software development. Our services and solutions help businesses scale the market. Over the years, we have diversified our service offerings through a mix of organic growth and strategic transactions. We believe the wide range of services that we offer enables us to build stronger relationships with our clients and cross sell our services. Our customer base is spread across geographies and majorly to Europe, USA, Middle East and Asia.

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