

May 29, 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

Re: Intimation under Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

This is to inform you that the Board of Directors at its meeting held today i.e. May 29, 2023 has considered, approved and taken on record the Audited Financial Results for the quarter and year ended on March 31, 2023 together with the Audit Reports from the Statutory Auditors.

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

1. A copy of Audited (Standalone and Consolidated) Financial Results for the quarter and year ended on March 31, 2023.
2. Auditor's Report with unmodified opinion issued by the Statutory Auditors.
3. Declaration that the Report of Statutory Auditors is with unmodified opinion.
4. A copy of Press Release.

The Board Meeting commenced at 11.00 a.m. and concluded at 12.40 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

DRC SYSTEMS INDIA LIMITED

24th Floor, GIFT Two Building, Block no. 56, Road – 5C, Zone – 5, GIFT CITY, Gandhinagar – 382355, Gujarat, India

Contact: +91-79-67772222 | ir@drcsystems.com | www.drcsystems.com

CIN: L72900GJ2012PLC070106



May 29, 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/ Madam,

Sub: Declaration pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we hereby declare that Rajpara Associates, Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended on March 31, 2023.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For DRC Systems India Limited

Janmaya Pandya
Chief Financial Officer & Executive Director



Independent Auditor's Report on Audited Standalone Quarterly Financial Results and Year to Date Results for the quarter and year ended March 31, 2023 of DRC Systems India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**TO THE BOARD OF DIRECTORS OF
DRC SYSTEMS INDIA LIMITED**

Report on audit of the Standalone Financial Results

Opinion

We have audited the accompanying Standalone Financial Results of DRC Systems India Limited ('the Company') for the quarter and year ended March 31, 2023 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial results for the quarter and year ended March 31, 2023 under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Director's Responsibility for the Standalone Financial Results

These Standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Management and the Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management and the Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Standalone financial results include the results for the quarter ended March 31, 2023 being the balance figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subject to limited review by us, as required under the Listing Regulations.

Place : Ahmedabad
Date : 29/05/2023
UDIN : 23046922BGUEXD8131

For, Rajpara Associates
Chartered Accountants
FRN 113428W
CHANDRAM Digitally signed by
CHANDRAMAULIN J
AULIN J RAJPARA
RAJPARA Date: 2023.05.29
C J Rajpara 12:14:41 +05'30'
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 Audited Financial Results for the Quarter and Year Ended March 31, 2023

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

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Audited) (Refer Note 3)	(Unaudited)	(Audited) (Refer Note 3)	(Audited)	(Audited)
1	Income from operations					
	Income from operations	600.6	602.5	464.5	2,181.8	1,950.1
	Total income from operations	600.6	602.5	464.5	2,181.8	1,950.1
2	Other income	399.7	11.9	17.1	422.8	33.1
3	Total income (1+2)	1,000.3	614.4	481.6	2,604.6	1,983.2
4	Expenses					
	Employee benefits expenses	377.0	268.1	250.8	1,099.5	931.9
	Contracting expenses	376.6	17.6	109.7	476.4	615.7
	Finance costs	1.3	9.2	3.3	62.1	7.2
	Depreciation and amortisation expenses	40.5	26.6	27.4	118.5	132.1
	Other expenses	78.0	74.5	41.5	281.9	175.5
	Total expenses	873.4	396.0	432.7	2,038.4	1,862.4
5	Profit/(Loss) before exceptional item and tax (3-4)	126.9	218.4	48.9	566.2	120.8
6	Exceptional items	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	126.9	218.4	48.9	566.2	120.8
8	Tax expenses	22.4	56.6	13.3	146.1	50.5
9	Profit/(Loss) after tax (7-8)	104.5	161.8	35.6	420.1	70.3
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)	-	(0.8)	(6.7)	(0.8)
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-
11	Other comprehensive income, net of tax	(6.7)	-	(0.8)	(6.7)	(0.8)
12	Total Comprehensive Income for the Period (after tax) (9+11)	97.8	161.8	34.8	413.4	69.5
13	Paid-up equity share capital (Face Value of the share Re. 1/- each)	439.0	439.0	386.5	439.0	386.5
14	Other equity				2,731.9	291.6
15	Earnings per share (not annualised for the quarter)					
	(a) Basic	0.26	0.41	0.09	1.03	0.18
	(b) Diluted	0.25	0.40	0.09	1.02	0.18
	<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 Audited Assets And Liabilities as at March 31, 2023

(Rupees in Lakhs)

PARTICULARS	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
ASSETS		
I. Non-current assets		
Property, plant and equipments	21.7	17.2
Right-of-use assets	57.4	67.7
Other intangible assets	383.7	185.1
Financial assets		
Investments	2,000.3	1,439.9
Other financial assets	17.8	14.6
Deferred tax assets (net)	-	30.4
Income tax assets (net)	63.1	15.3
Total non-current assets	2,544.0	1,770.2
II. Current assets		
Financial assets		
Trade receivables	425.0	598.3
Cash and cash equivalents	206.9	50.5
Others financial assets	456.4	55.2
Other current assets	13.0	21.4
Total current assets	1,101.3	725.4
Total Assets	3,645.3	2,495.6
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	439.0	386.5
Other equity	2,731.9	291.6
Total equity	3,170.9	678.1
LIABILITIES		
I. Non-current liabilities		
Financial liabilities		
Borrowings	-	1,515.0
Other financial liabilities	51.5	60.5
Provisions	50.4	39.5
Deferred tax liabilities (net)	58.5	-
Total non-current liabilities	160.4	1,615.0
II. Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	15.0	-
Total outstanding dues to other than micro and small enterprises	82.4	-
Other financial liabilities	131.3	94.8
Other current liabilities	62.0	86.7
Provisions	23.3	21.0
Total current liabilities	314.0	202.5
Total Equity and Liabilities	3,645.3	2,495.6

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 Audited Cash Flows for the Year Ended March 31, 2023

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Year Ended March 31, 2023	Year Ended March 31, 2022
		(Audited)	(Audited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	566.1	120.8
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	118.5	132.1
	Employee stock option expense	56.7	38.4
	Finance cost	62.1	7.2
	Interest income	(1.1)	(0.8)
	Unrealised foreign currency loss / (gain) - net	(1.0)	(10.6)
	Gain on Sale of Investment	-*	-
	Liability no longer required	-*	-
	Fair Value Gain on Investment	(400.2)	-
	Bad debts written off	8.1	-
	Operating Profit before Working Capital Changes	409.2	287.1
	Adjustments for:		
	Changes in trade & other payables	97.4	(270.0)
	Changes in trade receivables	166.3	224.3
	Changes in other current & non current assets	(394.5)	(8.1)
	Changes in other current & non current liabilities and provisions	9.5	(301.6)
	Net Changes in Working Capital	(121.3)	(355.4)
Cash Generated from Operations	287.9	(68.3)	
Direct taxes paid	(105.1)	(38.7)	
Net Cash (used in) Operating Activities (A)	182.8	(107.0)	
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)	(291.1)	(81.6)
	Interest received	1.1	0.5
	Fixed deposits with bank (net)	(1.6)	-
	Investments in equity instruments (net)	(160.2)	(1,439.9)
Net cash (used in) Investing Activities (B)	(451.8)	(1,521.0)	
C	Cash Flow from Financing Activities		
	Proceeds from preferential issue of shares	2,000.0	-
	Proceeds from share application money (ESOP)	2.5	-
	Finance cost	(62.1)	(7.0)
	Proceeds/(Repayment) of borrowings	(1,515.0)	1,515.0
Net Cash (used in) Financing Activities (C)	425.4	1,508.0	
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	156.4	(120.0)	
Cash & Cash equivalent at the beginning of the year	50.5	170.5	
Cash & Cash equivalent at the end of the year	206.9	50.5	

* Represents amount less than ten thousand

Notes:

- 1 The above statement of audited standalone financial results for the quarter and year ended March 31, 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 May 29, 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 standalone figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year upto March 31, 2023 and March 31, 2022 and the unaudited year-to-date figures upto December 31, 2022 and December 31, 2021 respectively being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 4 During the quarter under review, the Company had divested its 5.00% stake in Nextenders (India) Private Limited ("Nextenders"). Post divestment Nextenders has ceased to be an Associate of the Company. Accordingly the investment is carried at fair value as per Ind AS 113.
- 5 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

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Date: 2023.05.29
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Hiten A. Barchha
Managing Director
DIN: 05251837

Date: May 29, 2023
Place: Gandhinagar



Independent Auditor’s Report on the Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2023 of DRC Systems India Limited Pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**TO THE BOARD OF DIRECTORS OF
DRC SYSTEMS INDIA LIMITED**

Report on the audit of Consolidated Financial Results

1. Opinion

We have audited the accompanying Statement of Consolidated Financial Results of DRC Systems India Limited (‘the Holding Company’) and its subsidiary (the Holding Company and its subsidiary together referred to as ‘the Group’) and its associate for the quarter ended March 31, 2023 and for the year ended March 31, 2023 (‘the Statement’), attached herewith, being submitted by the Holding Company 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’).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audit financial statements/financial results/financial information of the subsidiaries and associates, the Statement:

- i. Includes the results of the following entities:

Sr. No.	Name of the entities	Relationship
1	DRC Systems EMEA LLC-FZ (w.e.f. 06 July, 2022)	Subsidiary
2	Nextenders (India) Private Limited (w.e.f. 01 December, 2022 up to 26 March, 2023)	Associate

- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

2. Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Results” section of our report. We are independent of the Group and its associates in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

3. Management’s and Board of Directors’ Responsibility for the consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including associates in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

4. Auditors Responsibilities for the Audit of Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Statement made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

5. Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of;

- **1 Subsidiary** whose Financial Results/statements reflects total assets of Rs. 393.79 Lakhs as at March 31, 2023, total revenue of Rs. 176.44 Lakhs & Rs 571.45 Lakhs, net Profit after tax of Rs. 35.73 Lakhs & Rs. 265.43 Lakhs and total comprehensive income of Rs. 35.73 Lakhs & Rs. 265.43 Lakhs for the quarter and year ended on that date respectively and net cash flow of Rs 29.95 Lakhs for the year ended on March 31, 2023.
- **1 Associate** whose Financial Results/statements reflects group's share of total comprehensive loss of Rs. 18.21 Lakhs & total comprehensive loss of Rs. 10.70 Lakhs for the quarter and year ended on that date respectively.

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates, is based solely on the report of other auditors and the procedures performed by us are as stated in paragraph above. Our opinion is not modified in respect of this matter

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards applicable in respective country. The Holding Company's management has converted the financial statements and other financial information of such subsidiary located outside India from accounting principles generally accepted in respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of the above matters.

Place : Ahmedabad
Date : 29/05/2023
UDIN : 23046922BGUEXC9097

For, Rajpara Associates
Chartered Accountants
FRN 113428W
CHANDRA Digitally signed by
MAULIN J CHANDRAMAULIN J
RAJPARA RAJPARA
C J Rajpara Date: 2023.05.29
Partner 12:13:34 +05'30'
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 Audited Financial Results for the Quarter and Year Ended March 31, 2023

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

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Audited) (Refer Note 3)	(Unaudited)	(Audited) (Refer Note 3)	(Audited)	(Audited) (Refer note 6)
1	Income from operations					
	Income from operations	677.4	864.0	464.5	2,562.5	1,950.1
	Total income from operations	677.4	864.0	464.5	2,562.5	1,950.1
2	Other income	399.7	11.9	17.1	422.8	33.1
3	Total income (1+2)	1,077.1	875.9	481.6	2,985.3	1,983.2
4	Expenses					
	Employee benefits expenses	412.0	302.5	250.8	1,203.7	931.9
	Contracting expenses	380.5	17.6	109.7	480.3	615.7
	Finance costs	1.3	9.2	3.3	62.1	7.2
	Depreciation and amortisation expenses	42.2	26.6	27.4	120.1	132.1
	Other expenses	81.9	77.8	41.5	292.9	175.5
	Total expenses	917.9	433.7	432.7	2,159.1	1,862.4
5	Profit/(Loss) before exceptional items/ share in net profit/ (loss) of associates and tax (3-4)	159.2	442.2	48.9	826.2	120.8
6	Exceptional items	-	-	-	-	-
7	Profit/(Loss) before share in net profit/ (loss) of associates and tax (5-6)	159.2	442.2	48.9	826.2	120.8
8	Share in net profit / (loss) of associate	(18.2)	7.5	-	(10.7)	-
9	Profit/(Loss) before tax (7-8)	141.0	449.7	48.9	815.5	120.8
10	Tax expenses	22.4	56.6	13.3	146.1	50.5
11	Profit/(Loss) after tax (9-10)	118.6	393.1	35.6	669.4	70.3
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)	-	(0.8)	(6.7)	(0.8)
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-
13	Other comprehensive income, net of tax	(6.7)	-	(0.8)	(6.7)	(0.8)
14	Total Comprehensive Income for the Period (after tax) (11+13)	111.9	393.1	34.8	662.7	69.5
15	Paid-up equity share capital (Face Value of the share Re. 1/- each)	439.0	439.0	386.5	439.0	386.5
16	Other equity				3,006.7	291.6
17	Earnings per share (not annualised for the quarter)					
	(a) Basic	0.29	0.99	0.09	1.64	0.18
	(b) Diluted	0.29	0.98	0.09	1.63	0.18

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 Audited Assets And Liabilities as at March 31, 2023

(Rupees in Lakhs)

PARTICULARS	March 31, 2023	March 31, 2022
	(Audited)	(Audited) (Refer note 6)
ASSETS		
I. Non-current assets		
Property, plant and equipments	22.1	17.2
Right-of-use assets	57.4	67.7
Other intangible assets	455.1	185.1
Intangible assets under development	-	-
Financial assets		
Investments	1,985.1	1,439.9
Other financial assets	17.8	14.6
Deferred tax assets (net)	-	30.4
Income tax assets (net)	63.1	15.3
Total non-current assets	2,600.6	1,770.2
II. Current assets		
Financial assets		
Trade receivables	572.9	598.3
Cash and cash equivalents	236.8	50.5
Others financial assets	466.5	55.2
Other current assets	47.3	21.4
Total current assets	1,323.5	725.4
Total Assets	3,924.1	2,495.6
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	439.0	386.5
Other equity	3,006.7	291.6
Total equity	3,445.7	678.1
LIABILITIES		
I. Non-current liabilities		
Financial liabilities		
Borrowings	-	1,515.0
Other financial liabilities	51.5	60.5
Provisions	50.4	39.5
Deferred tax liabilities (net)	58.5	-
Total non-current liabilities	160.4	1,615.0
II. Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	15.0	-
Total outstanding dues to other than micro and small enterprises	82.4	-
Other financial liabilities	131.3	94.8
Other current liabilities	66.0	86.7
Provisions	23.3	21.0
Current tax liabilities (net)	-	-
Total current liabilities	318.0	202.5
Total Equity and Liabilities	3,924.1	2,495.6

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 Audited Cash Flows for the Year Ended March 31, 2023

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Year Ended March 31, 2023	Year Ended March 31, 2022
		(Audited)	(Audited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	826.2	120.8
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	120.1	132.1
	Employee stock option expense	56.7	38.4
	Finance cost	62.1	7.2
	Interest income	(1.1)	(0.8)
	Unrealised foreign currency loss / (gain) - net	(1.0)	(10.6)
	Gain on Sale of Investment	-*	-
	Fair Value gain on investment	(400.2)	
	Liability no longer required	-*	-
	Bad debts written off	8.1	-
	Operating Profit before Working Capital Changes	670.9	287.1
	Adjustments for:		
	Changes in trade & other payables	97.4	(270.0)
	Changes in trade receivables	18.3	224.3
	Changes in other current & non current assets	(431.6)	(8.1)
	Changes in other current & non current liabilities and provisions	13.5	(301.6)
	Net Changes in Working Capital	(302.4)	(355.4)
	Cash Generated from Operations	368.5	(68.3)
	Direct taxes paid	(105.1)	(38.7)
	Net Cash (used in) Operating Activities (A)	263.4	(107.0)
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)	(364.5)	(81.6)
	Interest received	1.1	0.5
	Fixed Deposits with Bank (Net)	(1.6)	-
	Investments in equity instruments (net)	(137.5)	(1,439.9)
	Net cash (used in) Investing Activities (B)	(502.5)	(1,521.0)
C	Cash Flow from Financing Activities		
	Proceeds from preferential issue of shares	2,000.0	
	Proceeds from share application money (ESOP)	2.5	-
	Finance Cost	(62.1)	(7.0)
	Proceeds/ Repayment of borrowings	(1,515.0)	1,515.0
	Net Cash (used in) Financing Activities (C)	425.4	1,508.0
	Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	186.3	(120.0)
	Cash & Cash equivalent at the beginning of the year	50.5	170.5
	Cash & Cash equivalent at the end of the year	236.8	50.5

* Represents amount less than ten thousand

Notes:

- 1 The above statement of audited consolidated financial results for the quarter and year ended March 31, 2023 ('the Statement') of DRC Systems India Limited ('the Company') and its subsidiary and associate ('the Group') are reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at its meeting held on May 29, 2023. The report has been filed with the stock exchanges and is available on the Company's website at "www.drccsystems.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 consolidated figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year upto March 31, 2023 and March 31, 2022 and the unaudited year-to-date figures upto December 31, 2022 and December 31, 2021 respectively being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 4 During the quarter under review, the Company had divested its 5.00% stake in Nextenders (India) Private Limited ("Nextenders"). Post divestment, Nextenders has ceased to be an Associate of the Company. Accordingly, the investment is carried at fair value as per Ind AS 113.
- 5 During the year, the Subsidiary company has commenced its business operations and accordingly the results (including balance sheet and cash flow statement) for the quarter and year ended March 31, 2023 are reported on a consolidated basis and comparative period and year ended results (including balance sheet and cash flow statement) are reported on standalone basis.
- 6 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**

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Date: 2023.05.29
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**Hiten A. Barchha
Managing Director
DIN: 05251837**

Date: May 29, 2023
Place: Gandhinagar

MEDIA RELEASE

DRC Systems India Limited Announces Financial Results for the Fourth Quarter and full year ended 2022-23.

- Consolidated income for the year up 51% Y-o-Y to INR Rs 2,985 Lacs.
- Consolidated yearly profit after tax up 852% Y-o-Y to INR 669 Lacs.
- Consolidated EBITDA for the year up 288% Y-o-Y to INR 1,008 Lacs.

Gandhinagar, India, 29th May, 2023: Information Technology and Software Consultancy Services provider, DRC Systems India Limited “DRC Systems”, “the Company” today announced its audited financial results for the fourth Quarter (Q4) and year ended March 31, 2023.

Consolidated Financial Highlights – Quarter and Year Ended March 31, 2023

Figures in INR Lacs

Particulars	Q4 FY'23	Q4 FY'22	Q3 FY'23	% change YoY	FY 2022- 23	FY 2021- 22	% change YoY
Total Income	1,077	482	876	124%	2,985	1,983	51%
EBITDA	203	80	478	155%	1,008	260	288%
EBITDA Margin	30%	17%	55%		39%	13%	
Profit Before Tax	159	49	442	226%	826	121	584%
Profit After Tax	119	36	393	233%	669	70	852%
Net Margin	11%	7%	45%		22%	4%	

Consolidated Performance Review for the quarter and year FY 2022-23:

- The company witnessed a robust growth across its profitability parameters during the year as it witnessed a record high profit after tax of INR 669 Lacs for the financial year, up 852% YoY.
- Total Income for the quarter stood at INR 1077 Lacs up 124% YoY and for the year was up 51% to INR 2,985 Lacs.
- Profit before tax for the quarter was INR 159 Lacs up 226% YoY, and INR 826 Lacs up 584% YoY.
- EBITDA for the quarter came at INR 203 Lacs up 155% YoY and INR 1,008 Lacs for the year, up 288%
- Net Margins for the year improved from 4% to 22%, while EBITDA margins also improved from 13% to 39% for the year.

Record performance for DRC Systems in its history:

“Digital growth and the high adaption of digitalization in businesses across the world have brought new vigor to our company’s growth, ending the financial year 2022-23 on a high note. Due to the high inflationary situation in the Western economies, companies in these high-growth economies are trying to balance or reduce their operation cost to a certain extent which has given the surge in business deals for DRC in the second half of the year. Apart from this, there has been growth coming from our old retained clients, as a partnership and trust build on our technology prowess. On the back of these developments, we registered a robust growth during the year on both revenue and profitability front posting record profits and expect these to continue in coming months as there is an incredible potential in our IT industry,” **said Hiten Barchha, Managing Director, DRC Systems India Limited.**

List of Corporate Developments:

- During the quarter under review, the Company had divested its 5.00% stake in Nextenders (India) Private Limited (“Nextenders”). Post divestment Nextenders has ceased to be an Associate of the Company.
- The Board of Directors at its meeting held today has considered and approved to acquire 100% stake in a newly incorporated company, i.e. DRC Systems USA LLC (“DRC Systems USA”), a Company formed and registered in Delaware, USA. Post-acquisition, DRC Systems USA would become a Wholly Owned Subsidiary of the Company.
- The Company has received a prestigious technology project from National Skill Development Corporation for its learning management system (LMS) worth INR 3 crores for FY 2023-24.



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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