

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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