

MEDIA RELEASE

DRC Systems India Limited Announces Financial Results for the First Quarter FY 24-25

- Consolidated revenue from operations for the quarter up 116% Y-o-Y to INR 1536 Lacs.
- Consolidated EBITDA for the quarter up 184% Y-o-Y to INR 527 Lacs.
- Consolidated quarterly Profit before tax (PBT) up 205% Y-o-Y to INR 432 Lacs.
- Consolidated quarterly Profit after tax (PAT) up 246% Y-o-Y to INR 385 Lacs.

Gandhinagar, India, 11th July, 2024: Information Technology and Software Consultancy Services provider, DRC Systems India Limited (BSE: 543268) (NSE: DRCSYSTEMS), "DRC Systems" "The Company" today announced its financial results for the first quarter (Q1) ended June 30th, 2024.

The company has recorded an impressive net profit growth of 246% Y-o-Y, amounting to INR 385 Lacs, in Q1 FY 2024-25. This period also saw a substantial revenue growth of 116%, with revenues totalling INR 1536 Lacs. DRC Systems has achieved steady growth in both domestic and international markets, and the company has benefited significantly from key government contracts, including the latest work order from the National Skill Development Corporation (NSDC) for the Skill India Digital Platform.

Recently, the company has accomplished a significant milestone by earning the prestigious CMMI Level 3 Certification from the US-based CMMI Institute, opening a huge potential to bid for large government and corporate projects.

Internationally, DRC Systems has experienced continuous growth in the Middle-East, European Union, United Kingdom, and Australia driven by increased outsourcing from these regions. The company's joint venture with UAE-based EZMS LLC FZ to offer Platform as a Service (PaaS) on a Low-Code No-Code (LCNC) platform has yielded lucrative long-term business opportunities in Middle-East. DRC Systems operates in 5 Free Zone in the Middle-East and has added 25% platform users in this quarter. Additionally, the company's subsidiary, DRC Systems USA LLC, has begun contributing to international revenue, with expectations of further growth in the US market this year.

Mr. Hiten Barchha, Managing Director of DRC Systems India Limited, stated, "The growth registered in Q1 reflects our strategic decision to remain consistently focused on pursuing long-term quality and sustainable businesses both domestically and internationally. We have been successful in implementing our strategy, and will continue to remain focused on achieving long-term quality businesses. We are committed to offering unique and innovative technology products and services. Our upcoming futuristic solutions on blockchain and AI will target high-growth markets, starting with the education sector in India and expanding to other lucrative sectors including government and corporate spaces. We expect to witness accelerated growth this year post-launch."

DRC Systems is preparing to launch a blockchain-based document-issuing platform to provide secure, instant, and verifiable documentation for sectors including education, government, insurance, banking, and finance. Initially targeting India's eLearning market, which is expected to reach USD 5.50 billion in 2024 and USD 17 billion by 2030, the company anticipates significant growth potential.

The company also plans to introduce an AI-enabled computer vision product for attendance and attention as its key feature; initially focusing on the eLearning and coaching industry and later expanding to other educational institutions as well as government and corporate sectors. The Indian coaching industry, currently valued at INR 60000 crore, is projected to reach INR 1.5 Lacs crores by 2030. The broader education sector in India is expected to grow from USD 180 billion to USD 313 billion by 2030, underscoring substantial growth opportunities.

DRC Systems continues to enhance brand awareness and visibility by participating in national and international trade shows. The company recently showcased its innovative edutech solutions and software services at Open edX conference at Cape Town, South Africa, and GITEX Africa 2024, a leading tech event in the Middle East, North Africa, and South Asia.

Consolidated Financial Highlights – Quarter Ended June 30, 2024

All figures in INR Lacs

Particulars	Q1 FY'25	Q1 FY'24	Y-o-Y %
Revenue from Operations	1536	711	116%
PBT	432	142	205%
EBIDTA	527	186	184%
EBITDA Margin	34%	26%	
PAT	385	111	246%
Net Margin	25%	16%	

Consolidated Performance Review for the period

- The company's operational revenue for the quarter was INR 1536 Lacs, marking a 116% Y-o-Y increase, primarily driven by continued growth in international markets.
- EBITDA for the quarter was INR 527 Lacs up 184% Y-o-Y keeping EBITDA margins strong at 34% compared to 26% in Q1 FY'24
- Profit before tax for the quarter was INR 432 Lacs up 205 % Y-o-Y compared to INR 142 Lacs in Q1 FY'24.
- Company's profit after tax for the quarter was INR 385 Lacs, marking a 246 % Y-o-Y increase while Net margins for the quarter were 25%, compared to 16% in Q1 FY'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.

Contact

pr@drcsystems.com

+91 6352183570