



January 12, 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: Submission of Unaudited Financial Results for the quarter and nine months ended on December 31, 2022

Pursuant to the Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform you that the Board of Directors of the Company at its meeting held today i.e. January 12, 2023 has, inter alia, considered, approved and taken on record the Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended on December 31, 2022 together with the Limited Review Report from the Statutory Auditors.

Pursuant to Regulation 30 & 33 of the Listing Regulations, we enclose herewith the following:

- (i) A copy of Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended on December 31, 2022.
- (ii) Limited Review Report on the aforesaid Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended on December 31, 2022.
- (iii) A copy of Press Release on the aforesaid Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended on December 31, 2022.

The Board Meeting commenced at 11.00 a.m. and concluded at 12.50 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



Limited Review Report on unaudited standalone financial results of DRC SYSTEMS INDIA LIMITED for the quarter ended 31 December, 2022 and year to date from 1 April, 2022 to 31 December, 2022 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 31 December 2022 and year to date from 1 April, 2022 to 31 December, 2022 ("the Statement"), being submitted by the 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').

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, 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 : 12/01/2023
UDIN : 23046922BGUEVY6989

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 Standalone Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022

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

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	Income from operations	602.5	531.5	428.9	1,581.1	1,485.6	1,950.1
	Total income from operations	602.5	531.5	428.9	1,581.1	1,485.6	1,950.1
2	Other income	11.9	(3.5)	1.2	23.1	16.0	33.1
3	Total income (1+2)	614.4	528.0	430.1	1,604.2	1,501.6	1,983.2
4	Expenses						
	Employee benefits expenses	268.1	250.7	250.0	722.5	681.1	931.9
	Contracting expenses	17.6	41.8	70.4	99.8	506.0	615.7
	Finance costs	9.2	24.7	3.0	60.8	3.9	7.2
	Depreciation and amortisation expenses	26.6	26.1	23.4	78.0	104.8	132.1
	Other expenses	74.5	65.9	51.3	203.9	133.8	175.5
	Total expenses	396.0	409.2	398.1	1,165.0	1,429.6	1,862.4
5	Profit/(Loss) before exceptional item and tax (3-4)	218.4	118.8	32.0	439.2	72.0	120.8
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	218.4	118.8	32.0	439.2	72.0	120.8
8	Tax expenses	56.6	35.0	24.6	123.7	37.2	50.5
9	Profit/(Loss) after tax (7-8)	161.8	83.8	7.4	315.5	34.8	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	-	-	-	-	-	(0.8)
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-	-
11	Other comprehensive income, net of tax	-	-	-	-	-	(0.8)
12	Total Comprehensive Income for the Period (after tax) (9+11)	161.8	83.8	7.4	315.5	34.8	69.5
13	Paid-up equity share capital (Face Value of the share Re. 1/- each)	439.0	386.5	386.5	439.0	386.5	386.5
14	Other equity						291.6
15	Earnings per share (not annualised for the quarter) (refer note: 3)						
	(a) Basic	0.41	0.22	0.02	0.79	0.09	0.18
	(b) Diluted	0.40	0.22	0.02	0.79	0.09	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 Standalone Unaudited Assets And Liabilities as at December 31, 2022

(Rupees in Lakhs)

PARTICULARS	December 31, 2022	March 31, 2022
	(Unaudited)	(Audited)
ASSETS		
I. Non-current assets		
Property, plant and equipments	20.0	17.2
Right-of-use assets	60.0	67.7
Other intangible assets	123.3	185.1
Intangible assets under development	295.4	-
Financial assets		
Investments	1,637.6	1,439.9
Other financial assets	16.1	14.6
Deferred tax assets (net)	35.9	30.4
Income tax assets (net)	11.9	15.3
Total non-current assets	2,200.2	1,770.2
II. Current assets		
Financial assets		
Trade receivables	428.5	598.3
Cash and cash equivalents	497.2	50.5
Others financial assets	251.4	55.2
Other current assets	69.1	21.4
Total current assets	1,246.2	725.4
Total Assets	3,446.4	2,495.6
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	439.0	386.5
Other equity	2,614.2	291.6
Total equity	3,053.2	678.1
LIABILITIES		
I. Non-current liabilities		
Financial liabilities		
Borrowings	-	1,515.0
Other financial liabilities	54.0	60.5
Provisions	47.1	39.5
Total non-current liabilities	101.1	1,615.0
II. Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to other than micro and small enterprises	-	-
Other financial liabilities	130.7	85.9
Other current liabilities	83.4	95.6
Provisions	20.9	21.0
Current tax liabilities (net)	57.1	-
Total current liabilities	292.1	202.5
Total Equity and Liabilities	3,446.4	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 Unaudited Cash Flow for the Nine Months Ended December 31, 2022

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
		(Unaudited)	(Unaudited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	439.2	72.0
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	78.0	104.8
	Employee stock option expense	36.8	20.2
	Interest expenses	60.8	3.9
	Interest income	(0.5)	(0.8)
	Unrealised foreign currency loss / (gain) - net	1.8	(1.8)
	Operating Profit before Working Capital Changes	616.1	198.3
	Adjustments for:		
	Changes in trade & other payables	-	329.1
	Changes in trade receivables	168.0	(68.8)
	Changes in other current & non current assets	(245.4)	(213.3)
	Changes in other current & non current liabilities and provisions	33.7	(357.4)
Net Changes in Working Capital	(43.7)	(310.4)	
Cash Generated from Operations	572.4	(112.1)	
Direct taxes paid	(68.8)	(21.8)	
Net Cash (used in) Operating Activities (A)	503.6	(133.9)	
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)	(286.4)	(2.8)
	Interest received	0.5	0.8
	Investments in equity instruments of subsidiary and associate	(197.7)	-
Net cash (used in) Investing Activities (B)	(483.6)	(2.0)	
C	Cash Flow from Financing Activities		
	Proceeds from preferential issue of shares	2,000.0	-
	Proceeds from share application money (ESOP)	2.5	-
	Interest paid	(60.8)	(3.9)
	Repayment of borrowings	(1,515.0)	-
Net Cash (used in) Financing Activities (C)	426.7	(3.9)	
	Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	446.7	(139.8)
	Cash & Cash equivalent at the beginning of the period	50.5	170.5
	Cash & Cash equivalent at the end of the period	497.2	30.7

Notes:

- 1 The above statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2022 ('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 January 12, 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 During the previous year, the Shareholders of the Company have approved the Split/Sub-division of each Equity Share of the Company from the existing Face Value of Rs. 10/- (Rupees Ten Only) per Equity Share to Face Value of Re. 1/- (Rupee One Only) per Equity Share in Extra Ordinary General Meeting dated February 25, 2022. The Record Date for Sub-division was March 17, 2022. The Earning Per Share ("EPS") have been calculated /restated, as applicable, for the quarter and nine months ended on December 31, 2021 after considering the new number of Equity Shares post Sub-division in line with the provisions of applicable Ind As to make figures of EPS comparable with previous period.
- 4 During the quarter under review, the Company had allotted 50,00,000 Equity Shares of Face Value of Re. 1/- each fully paid up, on a preferential basis to Somani Multibiz Limited (other than the Promoters and Promoter Group), at an issue price of Rs. 40/- per Equity Share (including a premium of Rs. 39/- per Equity Share), aggregating to Rs. 2,000 Lakhs (Rupees Two Thousand Lakhs Only) for cash consideration.
- 5 During the quarter under review, the Company had acquired 23.34% stake in Nextenders (India) Private Limited. Post acquisition, Nextenders became an Associate Company.
- 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: January 12, 2023
Place: Gandhinagar

Hiten A. Barchha
Managing Director
DIN: 05251837



Limited Review Report on unaudited consolidated financial results of DRC SYSTEMS INDIA LIMITED for the quarter ended 31 December, 2022 and year to date from 1 April, 2022 to 31 December, 2022 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 Holding Company") and its subsidiary and Associate company (the holding company, subsidiaries and its Associates together referred to as 'the group'), for the quarter ended on 31 December, 2022 and year to date from 1 April, 2022 to 31 December, 2022 ("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 Holding Company's management has been reviewed by the Audit Committee and approved by the Holding 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, 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 subsidiary and associate:

Sr. No.	Name of Entity	Relationship	% holding
1	DRC Systems EMEA LLC-FZ (w.e.f. 06 July, 2022)	Subsidiary	100.00 %
2	Nextenders (India) Pvt. Ltd. (w.e.f. 01 December, 2022)	Associates	23.34%

5. We did not review the interim financial results of the Subsidiary included in the Consolidated Unaudited Financial Results, whose interim financial results (before consolidated adjustments) reflect total assets of Rs. 423.90 lakh as at 31 December, 2022, total revenue of Rs. 352.51 lakh and Rs. 395.01 lakh, total net profit after tax of Rs. 225.96 lakh and Rs. 229.70 lakh and total comprehensive income of Rs. 225.96 lakh and Rs. 229.70 lakh for the quarter ended 31 December, 2022 and for the period 1 April, 2022 to 31 December, 2022, respectively and cash inflow of Rs. 87.98 lakh for the period 1 April, 2022 to 31 December, 2022, 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 subsidiary is based solely on the report of other auditor. Our conclusion is not modified in respect of this matter.

6. The consolidated interim financial results include interim financial information of one associate which has not been reviewed by their auditor; group's share of total comprehensive income is Rs. 7.51 lakh for the quarter ended 31 December, 2022. According to the information and explanation given by the Management this interim financial information is not material to the group. Our conclusion is not modified in respect of this matter.

7. The interim financial statements of subsidiary 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 Holding Company's management has converted the interim financial statements of these subsidiaries from the local GAAP to the Accounting Principles Generally Accepted in India. We have reviewed these conversion adjustments made by the Holding Company's Management. Our conclusion in so far as it relates to the amounts and disclosures of these subsidiaries 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.

8. 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 : 12/01/2023
UDIN : 23046922BGUEVZ2792

For Rajpara Associates
Chartered Accountants
FRN 113428W

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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 Nine Months Ended December 31, 2022

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

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited) (Refer note 6)	(Unaudited)	(Unaudited) (Refer note 6)	(Audited) (Refer note 6)
1	Income from operations						
	Income from operations	864.0	574.0	428.9	1,885.2	1,485.6	1,950.1
	Total income from operations	864.0	574.0	428.9	1,885.2	1,485.6	1,950.1
2	Other income	11.9	(3.5)	1.2	23.0	16.0	33.1
3	Total income (1+2)	875.9	570.5	430.1	1,908.2	1,501.6	1,983.2
4	Expenses						
	Employee benefits expenses	302.5	285.4	250.0	791.7	681.1	931.9
	Contracting expenses	17.6	41.8	70.4	99.8	506.0	615.7
	Finance costs	9.2	24.7	3.0	60.8	3.9	7.2
	Depreciation and amortisation expenses	26.6	26.1	23.4	78.0	104.8	132.1
	Other expenses	77.8	69.7	51.3	211.0	133.8	175.5
	Total expenses	433.7	447.7	398.1	1,241.3	1,429.6	1,862.4
5	Profit/(Loss) before exceptional items/ share in net profit/ (loss) of associates and tax (3-4)	442.2	122.8	32.0	666.9	72.0	120.8
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before share in net profit/ (loss) of associates and tax (5-6)	442.2	122.8	32.0	666.9	72.0	120.8
8	Share in net profit / (loss) of associate	7.5	-	-	7.5	-	-
9	Profit/(Loss) before tax (7-8)	449.7	122.8	32.0	674.4	72.0	120.8
10	Tax expenses	56.6	35.1	24.6	123.7	37.2	50.5
11	Profit/(Loss) after tax (9-10)	393.1	87.7	7.4	550.7	34.8	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	-	-	-	-	-	(0.8)
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-	-
13	Other comprehensive income, net of tax	-	-	-	-	-	(0.8)
14	Total Comprehensive Income for the Period (after tax) (11+13)	393.1	87.7	7.4	550.7	34.8	69.5
15	Paid-up equity share capital (Face Value of the share Re. 1/- each)	439.0	386.5	386.5	439.0	386.5	386.5
16	Other equity						291.6
17	Earnings per share (not annualised for the quarter) (refer note: 3)						
	(a) Basic	0.99	0.23	0.02	1.39	0.09	0.18
	(b) Diluted	0.98	0.23	0.02	1.37	0.09	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 Unaudited Assets And Liabilities as at December 31, 2022

(Rupees in Lakhs)

PARTICULARS	December 31, 2022	March 31, 2022
	(Unaudited)	(Audited)
		(Refer note 6)
ASSETS		
I. Non-current assets		
Property, plant and equipments	20.0	17.2
Right-of-use assets	60.0	67.7
Other intangible assets	123.3	185.1
Intangible assets under development	295.4	-
Financial assets		
Investments	1,622.4	1,439.9
Other financial assets	16.1	14.6
Deferred tax assets (net)	35.9	30.4
Income tax assets (net)	11.9	15.3
Total non-current assets	2,185.0	1,770.2
II. Current assets		
Financial assets		
Trade receivables	343.8	598.3
Cash and cash equivalents	585.2	50.5
Others financial assets	497.7	55.2
Other current assets	152.4	21.4
Total current assets	1,579.1	725.4
Total Assets	3,764.1	2,495.6
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	439.0	386.5
Other equity	2,856.6	291.6
Total equity	3,295.6	678.1
LIABILITIES		
I. Non-current liabilities		
Financial liabilities		
Borrowings	-	1,515.0
Other financial liabilities	54.0	60.5
Provisions	47.1	39.5
Total non-current liabilities	101.1	1,615.0
II. Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to other than micro and small enterprises	-	-
Other financial liabilities	130.7	85.9
Other current liabilities	158.7	95.6
Provisions	20.9	21.0
Current tax liabilities (net)	57.1	-
Total current liabilities	367.4	202.5
Total Equity and Liabilities	3,764.1	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 Unaudited Cash Flows for the Nine Months Ended December 31, 2022

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
		(Unaudited)	(Unaudited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	666.9	72.0
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	78.0	104.8
	Employee stock option expense	36.8	20.2
	Interest expenses	60.8	3.9
	Interest income	(0.5)	(0.8)
	Unrealised foreign currency loss / (gain) - net	1.8	(1.8)
	Operating Profit before Working Capital Changes	843.8	198.3
	Adjustments for:		
	Changes in trade & other payables	-	329.1
	Changes in trade receivables	252.7	(68.8)
	Changes in other current & non current assets	(575.1)	(213.3)
	Changes in other current & non current liabilities and provisions	116.3	(357.4)
	Net Changes in Working Capital	(206.1)	(310.4)
Cash Generated from Operations	637.7	(112.1)	
Direct taxes paid	(68.8)	(21.8)	
Net Cash (used in) Operating Activities (A)	568.9	(133.9)	
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)	(286.4)	(2.8)
	Interest received	0.5	0.8
	Investments in equity instruments of associate	(175.0)	-
	Net cash (used in) Investing Activities (B)	(460.9)	(2.0)
C	Cash Flow from Financing Activities		
	Proceeds from preferential issue of shares	2,000.0	-
	Proceeds from share application money (ESOP)	2.5	-
	Interest paid	(60.8)	(3.9)
	Repayment of borrowings	(1,515.0)	-
	Net Cash (used in) Financing Activities (C)	426.7	(3.9)
	Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	534.7	(139.8)
	Cash & Cash equivalent at the beginning of the period	50.5	170.5
	Cash & Cash equivalent at the end of the period	585.2	30.7

Notes:

- 1 The above statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2022 ('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 January 12, 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 During the previous year, the Shareholders of the Company have approved the Split/Sub-division of each Equity Share of the Company from the existing Face Value of Rs. 10/- (Rupees Ten Only) per Equity Share to Face Value of Re. 1/- (Rupee One Only) per Equity Share in Extra Ordinary General Meeting dated February 25, 2022. The Record Date for Sub-division was March 17, 2022. The Earning Per Share ("EPS") have been calculated /restated, as applicable, for the quarter and nine months ended on December 31, 2021 after considering the new number of Equity Shares post Sub-division in line with the provisions of applicable Ind As to make figures of EPS comparable with previous period.
- 4 During the quarter under review, the Group had allotted 50,00,000 Equity Shares of Face Value of Re. 1/- each fully paid up, on a preferential basis to Somani Multibiz Limited (other than the Promoters and Promoter Group), at an issue price of Rs. 40/- per Equity Share (including a premium of Rs. 39/- per Equity Share), aggregating to Rs. 2,000 Lakhs (Rupees Two Thousand Lakhs Only) for cash consideration.
- 5 During the quarter under review, the Group had acquired 23.34% stake in Nextenders (India) Private Limited. Post acquisition, Nextenders became an Associate Company.
- 6 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 nine months ended December 31, 2022 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.
- 7 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

Digitally signed by
HITEN ASHWIN
BARCHHA
Date: 2023.01.12
12:45:37 +05'30'

Date: January 12, 2023
Place: Gandhinagar

Hiten A. Barchha
Managing Director
DIN: 05251837

MEDIA RELEASE

DRC Systems India Limited Announces Unaudited Financial Results for the Third Quarter (Q3) of the Fiscal Year 2022-23

Consolidated Income from Operations up 51 % Q-o-Q to INR 864 Lakhs
Consolidated Profit after Tax up 348 %, Q-o-Q to INR 393 Lakhs
Consolidated EBITDA up 175 %, Q-o-Q to INR 478 Lakhs

Gandhinagar, India, 12th January, 2023: Information Technology and Software Consultancy Services provider, DRC Systems India Limited “DRC Systems” “the company” today announced its standalone and consolidated unaudited financial results for the third quarter and nine-month period ended December 31, 2022, for the fiscal year 2022 23.

Issuance of Shares on a Preferential basis: During the quarter under review, the Group had allotted 50,00,000 Equity Shares of Face Value of Re. 1/ each fully paid up, on a preferential basis to Somani Multibiz Limited (other than the Promoters and Promoter Group), at an issue price of Rs. 40/-per Equity Share (including a premium of Rs. 39/-per Equity Share), aggregating to Rs. 2,000 Lakhs (Rupees Two Thousand Lakhs Only) for cash consideration.

Acquisition of stake in Nextenders (India) Private Limited: During the quarter, the Company had acquired 23.34% stake in Nextenders (India) Private Limited. Post-acquisition, Nextenders will be an Associate Company of DRC Systems India Ltd. The Target Company is engaged in the business of Electronic Procurement Software Systems, Solutions & Related Services.

Consolidated Performance Review for Q3 FY22-23:

- Operating Revenue stood at Rs. 864 Lacs up 101 % Y-o-Y, up 51 % Q-o-Q.
- EBITDA for the quarter is Rs. 478 Lacs up 719 % Y-o-Y, up 175 % Q-o-Q .
- EBITDA Margins stood at 55 % for the quarter vs 14 % in Q3 FY 2021 22
- Profit After Tax (PAT) is at Rs. 393 Lacs up 5212 % Y-o-Y, up 348 % Q-o-Q.

Consolidated Financial Highlights – Quarter Ended December 31, 2022

Particulars	Q3 FY23	Q3 FY22	% change YoY	Q2 FY23	% change QoQ	9M FY 2022-23	9M FY 2021-22	% change YoY
Revenue	864	429	101%	574	51%	1,885	1,486	27%
EBITDA	478	58	718%	174	175%	806	181	346%
EBITDA Margin	55%	14%	306%	30%	83%	43%	12%	251%
Profit Before Tax	442	32	1282%	123	260%	667	72	827%
Profit After Tax	393	7	5212%	88	348%	551	35	1482%

Figures in INR Lacs

Managing Director, Mr. Hiten Barchha: “The company has seen continued growth in the past two quarters, and the growth stride continued even in the Q3, as international businesses witnessed seamless buoyancy after opening up the economic activities post-Covid-19 lockdown, resulting in strong balance sheets. While the global IT services market has improved, we are witnessing very strong levels of business activities for our IT & consultancy services, and the growing appetite from customers across the globe remains unstoppable. This strong demand has made us take a call to go forward with the acquisition of Nextenders (India) Pvt. Ltd and further fuel our expansion through fundraising. I am overwhelmed to see the support and the trust put in me by our company’s board of directors and investors while clinching these fundraising & acquisition deals. I look forward and I hope that the company would be able to deliver exponential growth in coming years, as there is incredible potential upside in the IT sector.”

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.