

October 12, 2021

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: Outcome of Board Meeting

Re: Submission of Unaudited Financial Results for the quarter and half year ended on September 30, 2021 pursuant to Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

This is to inform you that the Board of Directors of the Company at its meeting held today i.e. October 12, 2021 has inter alia;

1. considered and approved the Unaudited Standalone Financial Results for the quarter and half year ended on September 30, 2021 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) Financial Results for the quarter and half year ended on September 30, 2021.
 - (ii) Limited Review Report on the aforesaid Unaudited (Standalone) Financial Results.
 - (iii) A copy of Press Release on the aforesaid Unaudited (Standalone) Financial Results.
2. With reference to our earlier intimation dated April 16, 2021 regarding proposed acquisition of Mugenesys Software Private Limited ("Mugenesys") and considering the latest discussions/developments, we hereby further inform that both the parties have decided to extend the timeline for acquisition of Mugenesys up to January 31, 2022.

The Board Meeting commenced at 11.30 a.m. and concluded at 01.10 p.m.

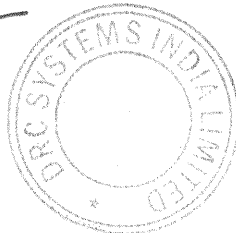
We request you to kindly take the same on your records please.

Thanking you,

Yours faithfully,

For DRC Systems India Limited


Jainam Shah
Company Secretary



Encl.: As above

RAJPARA ASSOCIATES

Chartered Accountants

D -1107, The First, Near Hotel ITC Narmada, Behind Keshavbaug Party Plot, Vastrapur,
Ahmedabad-380 015. Phone: 079-4849 3366. E mail: admin@carajpara.com
carajpara.com

Limited Review Report for unaudited standalone quarterly and half yearly results

Review report to the Board of Directors of DRC SYSTEMS INDIA LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results of DRC SYSTEMS INDIA LIMITED for the quarter and half year ended September 30, 2021. The statement attached herewith being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended.

This statement is the responsibility of the Company's Management has been reviewed by the Audit Committee and approved by the 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 issue a report on these financial statements based on our review.

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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standards and Other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place : Ahmedabad
Date : 12/10/2021
IININ : 21046922AAAAEX2679

For Rajpara Associates
Chartered Accountants

FRN 113428W

Rajpara
C J Rajpara
Partner

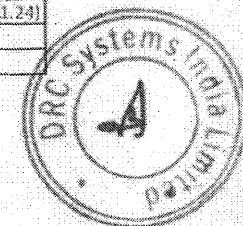
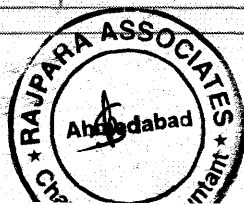
M. No. 046922

DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Unaudited Financial Results for the Quarter and Six Months Ended September 30, 2021

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

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	Income from operations	534.8	521.9	508.8	1,056.7	941.9	2,059.5
	Total income from operations	534.8	521.9	508.8	1,056.7	941.9	2,059.5
2	Other income	0.2	14.5	0.4	14.8	10.6	12.3
3	Total income (1+2)	535.0	536.5	509.2	1,071.5	952.5	2,071.8
4	Expenses						
	Employee benefits expenses	217.8	213.3	202.5	431.1	380.7	819.8
	Contracting expenses	202.7	232.9	241.4	435.6	466.1	933.5
	Finance costs	0.7	0.3	2.2	0.9	2.2	5.2
	Depreciation and amortisation expenses	40.9	40.5	68.0	81.4	135.3	221.2
	Other expenses	50.3	32.1	31.7	82.5	52.0	153.3
	Total expenses	512.4	519.1	545.8	1,031.5	1,036.3	2,133.0
5	Profit/(Loss) before exceptional item and tax (3-4)	22.6	17.4	(36.6)	40.0	(83.8)	(61.2)
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	22.6	17.4	(36.6)	40.0	(83.8)	(61.2)
8	Tax expenses	8.1	4.4	(6.7)	12.5	(15.3)	(13.3)
9	Profit/(Loss) after tax (7-8)	14.5	13.0	(29.9)	27.5	(68.5)	(47.9)
10	Other Comprehensive Income/(Expenses) (net of tax)						
	Items that will not be reclassified to Profit or loss						
	-Remeasurements of the defined benefit plans	-	-	-	-	-	7.3
	-Income tax relating to items that will not be reclassified to Profit or loss	-	-	-	-	-	-
11	Other comprehensive income, net of tax						7.3
12	Total Comprehensive Income for the Period (after tax) (9+11)	14.5	13.0	(29.9)	27.5	(68.5)	(40.6)
13	Paid-up equity share capital (Face Value of the share Rs. 10/- each)	386.5	386.50	225.0	386.5	225.0	386.5
14	Other equity						183.6
15	Earnings per share (not annualised for the quarter)						
	(a) Basic	0.37	0.34	(0.77)	0.71	(1.77)	(1.24)
	(b) Diluted	0.37	0.34	(0.77)	0.71	(1.77)	(1.24)

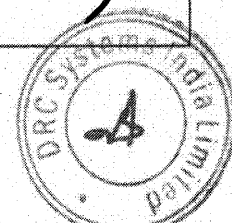
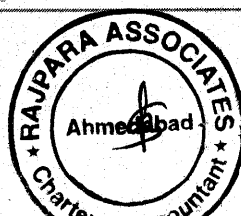
See accompanying notes to the financial results



DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Unaudited Assets And Liabilities as at September 30, 2021

PARTICULARS	(Rupees in Lakhs)	
	September 30, 2021 (Unaudited)	March 31, 2021 (Audited)
ASSETS		
I. Non-current assets		
Property, plant and equipment	13.1	13.3
Other intangible assets	227.7	307.3
Financial assets		
Investments	*	*
Other financial assets	3.3	3.3
Deferred tax assets (net)	52.3	43.6
Income tax assets (net)	6.2	13.8
Total non-current assets	302.6	381.3
II. Current assets		
Financial assets		
Trade receivables	821.2	812.0
Cash and cash equivalents	7.2	170.5
Others financial assets	310.0	11.7
Other current assets	98.8	67.6
Total current assets	1,237.2	1,061.8
Total Assets	1,539.8	1,443.1
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	386.5	386.5
Other equity	211.1	183.6
Total equity	597.6	570.1
LIABILITIES		
I. Non-current liabilities		
Provisions	42.0	35.0
Total non-current liabilities	42.0	35.0
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	309.4	270.0
Other financial liabilities	325.0	333.8
Other current liabilities	238.9	215.8
Provisions	18.4	18.4
Current tax liabilities (net)	8.5	-
Total current liabilities	900.2	838.0
Total Equity and Liabilities	1,539.8	1,443.1

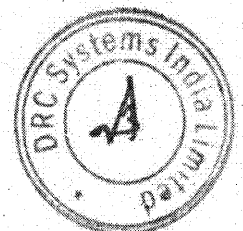
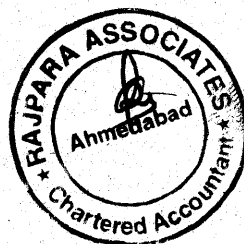
* Represents amount less than Rs. 0.01
See accompanying notes to the financial results



DRC Systems India Limited
CIN: L72900GJ2012PLC070106
24th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar 382355
Statement of Cash Flows for the Six Months Ended September 30, 2021

(Rupees in Lakhs)

Sr. No.	PARTICULARS	Six Month Ended September 30, 2021 (Unaudited)	Six Month Ended September 30, 2020 (Unaudited)
A	Cash Flow from operating activities:		
	Profit/(Loss) Before taxation	40.0	(83.8)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	81.4	135.3
	Employee stock option expense	-	36.1
	Interest expenses	0.9	2.2
	Interest income	(0.6)	(0.8)
	Foreign currency loss / (gain)	(11.7)	-
	Liability no longer required	(2.5)	-
	Operating Profit before Working Capital Changes	107.5	89.0
	Adjustments for:		
	Changes in trade and other payables	39.4	4.1
	Changes in trade receivables	2.5	(1.9)
	Changes in other current & non current assets	(329.4)	(78.5)
	Changes in other current and non current liabilities and provisions	23.8	(57.6)
	Net Changes in Working Capital	(263.7)	(133.9)
	Cash Generated from Operations	(156.2)	(44.9)
	Direct taxes paid	(5.2)	(3.9)
	Net Cash (used in) Operating Activities	(161.4)	(48.8)
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)	(1.6)	(0.5)
	Interest received	0.6	0.8
	Net cash (used in) Investing Activities	(1.0)	0.3
C	Cash Flow from Financing Activities		
	Interest paid	(0.9)	(2.2)
	Net Cash (used in) Financing Activities	(0.9)	(2.2)
	Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	(163.3)	(50.7)
	Cash & Cash equivalent at the beginning of the period	170.5	52.6
	Add: Cash & Cash equivalent pursuant to Scheme of Arrangement	-	39.9
	Cash & Cash equivalent at the end of the period	7.2	41.8

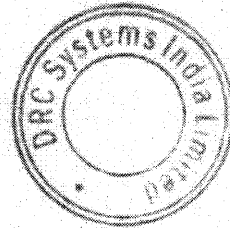
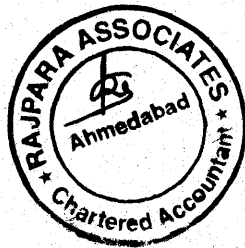



Notes:

1. The above statement of unaudited financial results for the quarter and six months ended September 30, 2021 ('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 12, 2021. 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 impact of COVID19 still remains uncertain and could be different from our estimates when we prepared these financial results. The Company will continue to closely monitor any material changes to future economic conditions.
4. During the quarter under review, the Company has incorporated a wholly owned subsidiary company "DRC Systems EMEA LLC - FZ" in Dubai on September 28, 2021. The said company is yet to commence its business operations.
5. The figures for comparative period have been regrouped/ reclassified, wherever necessary, to make them comparable.

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

Date: October 12, 2021
Place: Gandhinagar




Hiten A. Barchha
Managing Director

Media Release

DRC Systems India Limited Announces Q2FY22 Financial Results

Recorded 148.5 % YoY growth in PAT to INR 14.5 Lacs in Q2FY22

Gandhinagar, India, 12th October, 2021 – Information Technology and Software Consultancy Services provider, DRC Systems India Limited “**DRC Systems**” “**The Company**”, today announced standalone financial results for the quarter ended September 30, 2021.

Standalone Highlights - Quarter Ended September 30th, 2021 (INR Lacs)

- Revenue was INR 534.8 Lacs, up by 5.1 % YoY; up by 2.5 % QoQ
- EBITDA was INR 64.2 Lacs, up 91.1 % YoY; up by 10.3 % QoQ
- EBITDA margin was 12 %, up 81.8 % YoY; up by 7.6% QoQ
- Profit After Tax was INR 14.5 Lacs, up 148.5 %, YoY; up by 11.5% QoQ

During the quarter, the Company has demonstrated strong financial performance which is largely attributed due to significant increase in the digital adaption and consumption. Increase in overall operational efficiency resulting in improved margins impacting revenue and profit.

Key Business and Operational Highlights

During the quarter, the company”, has announced that as part of its international expansion plan the Company is making inroads in Middle East market and setting-up first wholly owned subsidiary (WOS) in United Arab Emirates, DRC Systems EMEA LLC - FZ. Through this WOS, the Company is targeting to place itself strategically near to its existing customers, tap ever growing IT and ITeS sector in Middle East and taking demand and delivery to next level. Through this WOS, the Company will offer its vast array of advanced technology enabled digital solutions and services such as cloud computing, analytics, Enterprise Resource Planning (ERP), eLearning, Business Process Automation, Machine Learning and Artificial Intelligence to Small and Medium Enterprises (SME) largely operating in the online retail, education, hospitality and travel and tourism industry, apart from other industry verticals. The Company’s successful track record of more than a decade in its domestic market (India) provides the confidence to render best services to one of the world’s most developed digital market i.e. UAE.

Standalone Financial Highlights: Q2 FY22 (Amounts in INR Lacs)

Particulars	Q2FY22	Q2FY21	% change YoY	Q1FY22	% change QoQ
Revenue	534.8	508.8	5.1%	521.9	2.5%
Profit after Tax	14.5	-29.9	148.5%	13.0	11.5%
EBITDA	64.2	33.6	91.1%	58.2	10.3%
EBITDA Margin	12.0%	6.6%	81.8%	11.2%	7.6%

Company's Managing Director Mr. Hiten Barchha said, "Overall performance in Q2 has been phenomenal and we will continue to demonstrate our strong revenue and profitable growth. The company will further accelerate its operational growth in digital space both in domestic and international market."

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

Media Contact:

Saloni Vora
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