

Media Release

DRC Systems India Limited reports Q1 FY 2026-27 results

Key Highlights (Consolidated)

Quarter Ended June 30, 2026

- Revenue from Operations: **INR 2,338.4 Lakhs, up 28% Y-o-Y**
- EBITDA: **INR 765.5 Lakhs, up 18% Y-o-Y**
- Net Profit: **INR 555.5 Lakhs, up 28% Y-o-Y**
- EBITDA Margin: **33%**; Net Margin: **23%**

Gandhinagar, India, August 06, 2026: 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) of FY 2026-27, as approved by its Board of Directors.

Net profit for the quarter came in at INR 555.5 Lakhs, a 28% increase over the same period last year, as the Company continued to build on the operating momentum seen across its core business lines. Revenue from operations kept pace, growing 28% Y-o-Y to INR 2,338.4 Lakhs.

Profitability also held firm through the quarter. EBITDA rose 18% Y-o-Y to INR 765.5 Lakhs, while profit before tax climbed 19% Y-o-Y to INR 583.3 Lakhs. EBITDA margin stood at 33% and net margin at 23% for the quarter.

Advancing from LMS to AI-Powered Learning Experience Platforms (LXP):

DRC Systems continues to deepen its leadership in the digital learning space, strategically evolving its offerings from traditional Learning Management Systems (LMS) towards next-generation Learning Experience Platforms (LXP). The Company has developed a suite of proprietary components built on top of industry-standard open-source LMS frameworks, enabling faster, more powerful implementations while embedding AI-driven capabilities such as personalised learning pathways, intelligent content recommendations, conversational learning assistants, and advanced learner analytics. These proprietary accelerators significantly reduce deployment timelines for clients while delivering measurably higher learner engagement and outcomes - positioning DRC as a differentiated, IP-led player in the rapidly growing global EdTech and corporate learning market.

AI-First Software Development & Delivery: AI-Powered, Human-Led:

During the quarter, the Company completed the enterprise-wide rollout of AI across all stages of its software development lifecycle - from requirement analysis and solution design to coding, testing, quality assurance, and deployment. This AI-first delivery model is already yielding tangible improvements in engineering productivity, delivery quality, and time-to-market, while enabling the Company to offer clients greater value at competitive price points. In parallel, DRC continues to invest in AI-led optimisation of its internal operations, strengthening operational efficiency and margin resilience.

Navigating a Transforming Industry Landscape:

The global technology services industry is undergoing a structural transition, with enterprise spending shifting from effort-based, labour-led models towards AI-enabled, outcome-driven and IP-led engagements. While near-term macro conditions and evolving client spending patterns have created headwinds for the broader sector, they have equally accelerated demand for partners who can deliver innovation and efficiency together. DRC Systems believes its early and comprehensive adoption of AI - both in what it builds for clients and how it delivers - positions the Company favourably to capture this shift. The Company remains focused on expanding its proprietary product capabilities, deepening domain expertise in eLearning and enterprise solutions, and sustaining profitable, quality-led growth.

Management Commentary:

"The technology services industry is at an inflection point. Artificial Intelligence is reshaping not just what clients demand, but how technology itself is built and delivered. At DRC, we made a deliberate choice early on to embrace this transformation rather than react to it. Today, AI is embedded across every stage of our software development and delivery - and the gains in productivity, quality, and speed are real and compounding.

In our eLearning business, we are moving decisively beyond traditional LMS towards AI-powered Learning Experience Platforms. Our proprietary components, built on proven open-source foundations, allow us to deliver richer, more intelligent learning solutions faster than conventional implementations - and this IP-led approach is becoming a core differentiator for us.

While the global environment remains challenging and the industry faces a period of transition, we see this as an opportunity. Periods of disruption reward companies that innovate and operate efficiently - and we are firmly investing in both. Our focus remains on building durable capabilities, protecting margins through operational excellence, and creating long-term value for our shareholders." said **Mr. Hiten Barchha, Managing Director, DRC Systems India Limited.**

Consolidated Financial Highlights (INR Lakhs)

Particulars	Q1 FY'27	Q4 FY'26
Revenue from Operations	2,338.4	2,719.9
Profit before Tax	583.3	602.5
EBITDA	765.5	816.0
EBITDA Margin	33%	30%
Profit after Tax	555.5	581.8
Net Margin	23%	21%

Q1 FY'26	Y-o-Y %	FY 25-26
1,829.2	28%	9,550.5
489.2	19%	2,099.4
649.2	18%	2,832.6
35%		30%
434.7	28%	1,932.2
24%		20%

- Revenue from Operations grew 28% Y-o-Y to INR 2,338.4 Lakhs, reflecting sustained demand across the Company's key verticals, pointing to a strong start-of-year momentum across the business.
- Profit before Tax increased 19% Y-o-Y to INR 583.3 Lakhs, underscoring healthy underlying profitability and marking a strong opening quarter contribution.
- EBITDA rose 18% Y-o-Y to INR 765.5 Lakhs, driven by operating leverage, representing a strong start to the year. EBITDA Margin stood at a healthy 33% for the quarter.
- Profit after Tax grew 28% Y-o-Y to INR 555.5 Lakhs, in line with revenue growth and reflecting consistent bottom-line execution. Net Margin came in strong at 23% for the quarter.



About DRC Systems India Limited

DRC Systems India Limited is a global technology company specializing in digital transformation, software engineering, and IT consulting services. Established in 2012, the company helps enterprises, government organizations, startups, and institutions accelerate innovation through AI-first, scalable, and future-ready technology solutions. Its comprehensive portfolio spans AI & ML, cloud and DevOps, digital experience, enterprise applications, blockchain, eLearning, and product engineering.

Headquartered in GIFT City, Gandhinagar, with a growing global presence across India, the USA, and the UAE, DRC Systems delivers high-quality solutions through a customer-centric approach backed by CMMI Level 3 accreditation. The company is publicly listed on the BSE (BSE: 543268) and the NSE (NSE: DRCSYSTEMS) and is committed to enabling businesses worldwide with secure, innovative, and impactful digital solutions.

For more information, visit www.drcsystems.com.

Our Tech Spectrum

Digital Experience

- Web Development
- Mobile Application Development
- Digital Learning / e-Learning
- Digital Commerce / e-Commerce
- Content Management System (CMS)
- QA Engineering and Testing

Digital Transformation

- Application Modernization
- Digital Process Automation
- Enterprise Resource Planning (ERP)
- Product and Platform Engineering
- Agile Consulting
- Resource Augmentation

Cloud and DevOps

- Cloud Strategy & Consulting
- Cloud Migration
- Cloud Orchestration
- Cloud Infrastructure Management

Emerging Technologies

- Artificial Intelligence (AI) & Machine Learning (ML)
- Blockchain-Powered Platforms
- Advanced Analytics & Insights
- Chatbots & Virtual Assistants
- Custom Solutions Using Cutting-Edge Technologies

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