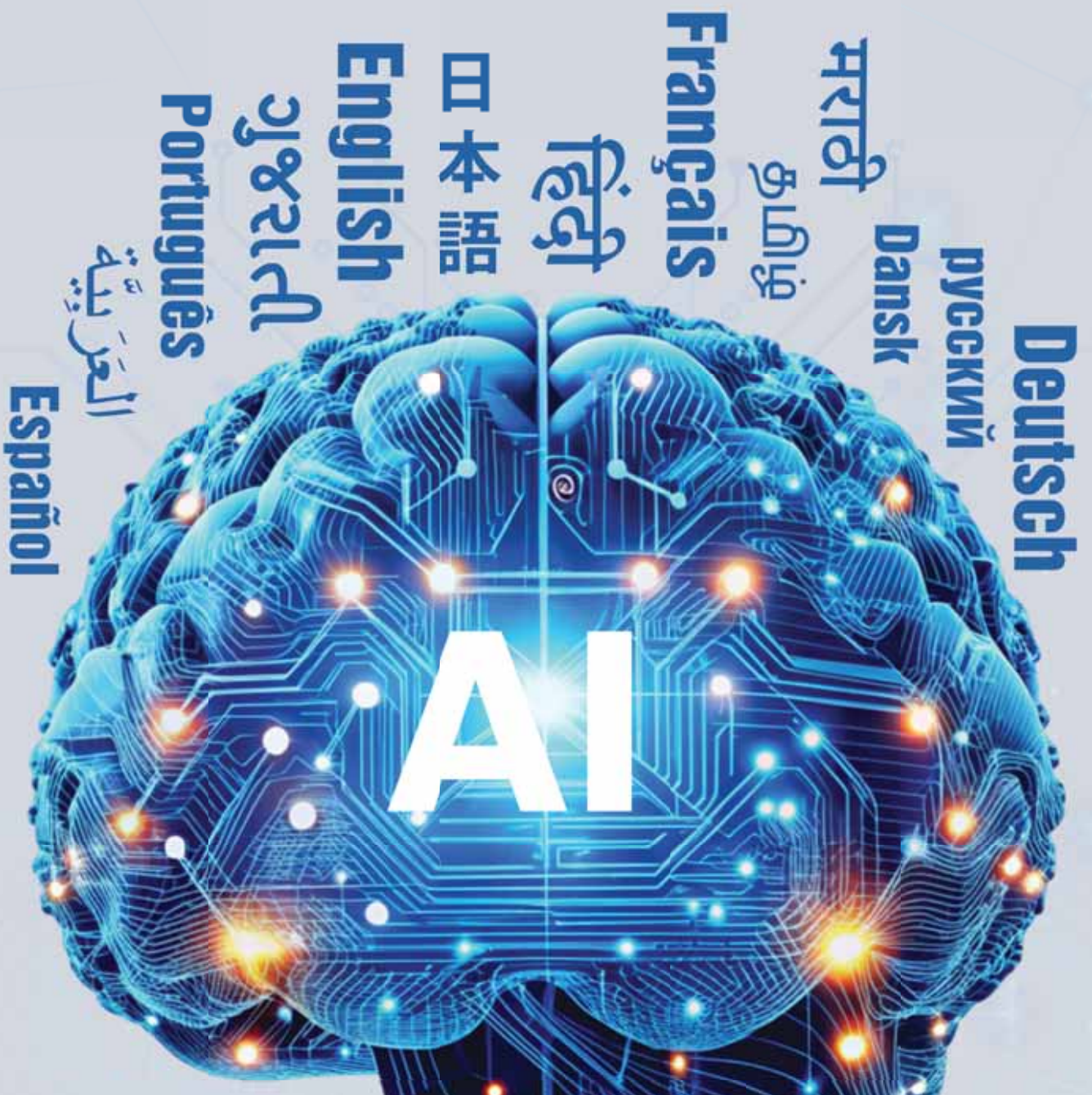


# 19<sup>th</sup> Annual Report 2023-24





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## Board of Directors

Sunil Kulkarni	Chairman & Executive Director
Prachi Kulkarni	Managing Director
Shyamak Kulkarni	Non - Executive Director
Dr. Girish Desai	Independent Director
Dr. Apurva Joshi	Independent Director
Mr. Pradeep Dharane	Independent Director

## Key Managerial Personnel

Mandar Inamdar	Chief Financial officer
Neha Joshi	Company Secretary (w.e.f. 02/11/2022 till 30/10/2023)
Sneha Ratnaparkhi	Company Secretary and Compliance officer (w.e.f. 15/12/2023)

## Our Advisors

Mr. Anil Patwardhan  
Mr. Deepak Shikarpur

## Auditors

Statutory Auditors	Kirtane & Pandit LLP
Secretarial Auditors	Yogesh Kandalgaonkar, Company Secretaries
Internal Auditors	Milind Sangoram & Co.

## Bankers

Kotak Mahindra Bank Ltd.  
Bank of India

## Registered Office Address

Unit No. 202, 2nd Floor, Marisoft 3, West Wing, Marigold Software IT Park, Vadgaon Sheri, Pune – 411 014, Maharashtra, India.

## AGM details

Tuesday, August 6, 2024 Time 10.00 am

Venue: Sumant Moolgaonkar Auditorium No. 1, A Wing, Ground Floor, MCCIA Trade Towers, 403, Senapati Bapat Road Pune, Maharashtra - 411016.

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# Mission Statement

“

Our mission is to provide world-class IT solutions that transcend language boundaries and enable businesses to thrive in the digital age.

”

"At Fidel Softech Limited, our mission is to bridge linguistic and technological boundaries, empowering global connectivity through innovative IT solutions and localization services. We strive to deliver excellence in every aspect of our work, leveraging cutting-edge technology and deep industry expertise to enable seamless communication and cultural understanding on a global scale. Committed to exceeding client expectations, we aim to be the trusted partner of choice for organizations seeking to thrive in an increasingly interconnected world."

## Chairman's Message



I am pleased to present Fidel Softech Limited's ("FIDEL") Annual Report for fiscal year 2023-24. It is with great pride that I reflect on our Company's journey over the past year and the significant strides we have made in the dynamic field of software and technology. In a year marked by unprecedented challenges, our dedication to innovation and excellence has remained unwavering. We've continued to lead in the language technology sector, driven by our commitment to delivering cutting-edge solutions. Thank you for your ongoing support and trust in FIDEL.

As we look ahead to the future, we are excited about the opportunities that lie before us. The technology landscape is evolving at an unprecedented pace, presenting us with new challenges and possibilities. With our talented team, strong leadership, and strategic vision, FIDEL is well-positioned to capitalize on these opportunities and continue driving innovation and value for our shareholders. I would like to express my sincere gratitude to our shareholders for their unwavering support and confidence in FIDEL. I also want to extend my appreciation to our dedicated employees, whose hard work and commitment have been instrumental in our achievements. Together, we will continue to innovate, grow and create value for all our stakeholders. Thank you for your continued partnership and trust in FIDEL.

**Sunil Kulkarni**  
Chairman & Executive Director

# Board of Directors



**Sunil Kulkarni**

Founder and CEO

Sunil Kulkarni is Chairman & promoter of Fidel Softech Limited. He is an entrepreneur with a passion for creating new products and markets. He has worked closely with the Japanese and Asian markets to grow Fidel into a mid-size firm with focus on core areas of Lang-tech, IT Services, Enterprise solutions and consulting.



**Prachi Kulkarni**

Managing Director

Prachi Kulkarni has 20+ years of experience in IT & capital markets background. She worked in Japan for 10+ years & since 2012 she is working in India. She is expert in FinTech handling FIX technology based IT solutions



**Shyamak Kulkarni**

Non- Executive Director

Shyamak Kulkarni graduated from Purdue University with a major in Economics and Data Analytics. Throughout his education, he completed various internships to gain practical experience and participated in sports and leadership programs on campus. Currently, he works as a professional consultant in the USA.



**Pradeep Dharane**

Independent Director

Pradeep Dharane is a global leader in semiconductor industry with over 30 years deep experience in the field of CPU /SoC Silicon development and has held several senior management positions with leading Silicon design companies. He has proven track record in setting up, growing and operationalising business & organisation of Large Multinationals as well as Start-ups.



**Dr. Girish Desai**

Independent Director

Dr. Girish Desai is the Executive Director of the Pimpri Chinchwad Education Trust (PCET) and is instrumental in setting up of Pimpri Chinchwad University. He has successfully led an educational institution with multiple streams, 10,000+ students, and 1000+staff Teaching and Non-Teaching staff.



**Dr. Apurva Joshi**

Independent Director

Dr. Apurva Joshi is a successful Certified Forensic Accounting Professionals (CFAP). She is a Certified Anti Money Laundering Expert, Certified Bank Forensic Accountant and Certified Vigilance and Investigation Expert. She heads the Technology & Due Diligence practice of Risk-pro Management Consulting P Ltd and is on the Board of several Public companies as Independent Director.

## BOARD'S REPORT

Dear Shareholders,

Your directors are pleased to present the Nineteenth Annual Report of FIDEL SOFTECH LIMITED along with the Audited Financial Statement for the Financial Year ended March 31, 2024.

### 1. Highlights of Financial Performance

The Company has recorded the following financial performance, for the year ended March 31, 2024:

Particulars	FY 2023-24	FY 2022-23
Revenue	41.03	34.24
EBITDA	8.24	7.42
Profit Before Tax	8.02	7.15
PBT %	20%	21%
Profit After Tax	6.06	5.39
PAT %	15%	16%
EPS	4.41	4.13

₹ Cr

During the year, your Company experienced a remarkable increase in net revenue from operations, rising by 20% from ₹33.37 Cr to ₹40.09 Cr. The PAT attributable to the shareholders for FY 2024 was ₹6.06 cr registering a growth of 15% over the PAT of ₹5.39 cr for FY 2023.

A detailed analysis of the financials is given in the Management's discussion and analysis report that forms part of this Annual Report.

### 2. SUMMARY OF OPERATION

Year 2023-24 was a pivotal year for Fidel, marked by second year of our listing on the NSE EMERGE platform. Throughout the year, Fidel maintained a strong growth trajectory, a reflection of the faith our investors have placed in us. The stock market showed positive movements, leading to a change in lot size in the latter half of the year.

Our topline revenues for the year reached ₹40.09 crore, with a PBIT of ₹8.02 crore, representing a 20% year-over-year growth in revenues. We generated positive cash flow from operations and demonstrated continuous growth quarter after quarter. Despite a slight dip in one quarter, we achieved sustainable growth over eight consecutive quarters, progressing from revenue of the ₹6.5 crore range to the ₹11-12 crore range this year. This growth enabled us to stabilize processes, focus on key hiring, and refine our operations, with the setup of our new Hyderabad office being a key highlight.

Fidel's growth was driven by effective sales, marketing, and account mining efforts. Our top 10+ clients contributed to 80% of our revenues, achieved through quality and timely delivery, as well as strong communication channels maintained by our sales and account management teams. Throughout the year, we participated in various industry events, kept our website updated with blogs, case studies, relevant social media posts, and periodic newsletters to reach clients and prospects.

We delivered various innovative projects using cutting-edge technologies such as AI/ML and Chat GPT wrappers. Last fiscal year, we conducted demos and POCs for clients developing AI engines needing multilingual support. We anticipate that investments in these demos/POCs will convert into billable revenues this year. Fidel has begun seeing AI-related engagements in areas such as multilingual prompt engineering, vetting multilingual AI output, and creating specialized wrappers around AI engines. Additionally, we continued our work in ServiceNow, Infor Syteline, managed services, and initiated engagements in Malaysia.

Operationally, Fidel remained process-oriented, technology-driven, and focused on continuous improvement to achieve smooth and efficient operations. This year, we implemented the Translation Management System (TMS) Plunet to optimize operations and delivery, enhancing our service to the global market.

Our human resources team played a crucial role in our growth by hiring key roles and team members, ensuring that HR practices kept employees happy and rewarded. Our HR policies and activities were designed to maintain a satisfied and functional team.

This year, Fidel received multiple awards and recognition for our innovative and niche services in the global market. Looking ahead, we anticipate a strong growth trend with the right sales and marketing efforts, established processes, and adherence

to compliance. We will continue to focus on strategies that drive accelerated growth, balancing investment required for growth with profitability, and maintaining a clear focus on positive cash flow.

### 3. CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company.

### 4. CHANGE IN CAPITAL STRUCTURE

During the year under review there was no change in the capital structure of the Company.

### 5. RESERVES

The Board of Directors have not proposed to transfer any amount to any Reserve. Therefore, entire profits of Rs. 6.06 cr. (before distribution of dividend) earned during the financial year 2023-24 have been retained in profit and loss account.

### 6. DIVIDEND

Your directors are pleased to recommend a dividend of 1.10 ₹ per share for the current financial year.

### 7. STATEMENT OF DEVIATION(S) OR VARIATION(S) IN ACCORDANCE WITH REGULATION 32 OF SEBI LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS (LODR) REGULATION, 2015

In accordance with the offer document of the Initial Public Offer, the Company had estimated utilization of ₹ 943.32 Lakhs towards Funding Working Capital requirements of the Company and ₹ 269.95 Lakhs towards General Corporate Purposes for the financial year ended 2023-24. The actual utilization since inception was ₹ 594.42 Lakhs in total and ₹ 618.84 Lakhs still remained unutilized. There was a shortfall in utilization of funds as the Company had undertaken a conservative approach to spending the funds raised. Fidel believes that spending has to be made on the right opportunities and at the right time, rather than spending to meet targets. It was a strategic call to delay the spending.

### 8. ANNUAL RETURN

As per the Companies (Management and Administration) Amendment Rules, 2020 dated 28<sup>th</sup> August, 2020, of the Companies Act, 2013 (the Act), the Annual Return of the Company is uploaded on the website of the Company at <https://www.fidelfotech.com/other-disclosures/>

### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2024, the Company has 6 Directors with an optimum Combination of Executive and Non-Executive including Women Director. The detailed profile of the Board of Directors is available on the website of the Company at this link: <https://www.fidelfotech.com/board-of-director/>. The constitution of the Board Committees is given elsewhere in this report.

1. Mr. Sunil Kulkarni (DIN 00752937) is liable for retirement by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.
2. Mrs. Neha Amod Joshi (ACS 24974) resigned as Company Secretary w.e.f 30<sup>th</sup> October, 2023 and Mrs. Sneha Ratnaparkhi (ACS 42657) was appointed as Company Secretary and Compliance Officer with effect from 15<sup>th</sup> December, 2023.

Based on representations received from the Directors, none of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder or any other provisions of the Companies Act, 2013. The Directors have also made necessary disclosures as required under provisions of section 184(1) of the Companies Act, 2013. All members of the Board of Directors and senior management personnel affirmed compliance with the Company's Code of Conduct policy for the financial year 2023-2024.

All Independent Directors of the Company have given a declaration under Section 149(7) of the Act, that they meet the criteria laid down in Section 149(6) of the Act. The Board is of the opinion that all the Independent Directors of the Company possess the requisite qualifications, experience, expertise including proficiency in their respective fields of study.

Further, their names are included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In compliance with Schedule IV of the Companies Act, 2013 a meeting of the Independent Directors of the Company was held during the year. The evaluation process for the Board of Directors pertaining to the Financial Year 2023-24 has been carried out and the same was shared with the Chairman of the Company and Nomination and Remuneration Committee of the Board.



**10. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the Board after seeking input from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking input from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors based on criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

**11. MEETING OF BOARD OF DIRECTORS**

The composition of Board of Directors is as follows-

1. Mr. Sunil Kulkarni, Chairman and Executive Director
2. Mrs. Prachi Kulkarni, Managing Director
3. Mr. Shyamak Kulkarni, Non-Executive Director
4. Mr. Pradeep Dharane, Independent Director
5. Dr. Girish Desai, Independent Director
6. Dr. Apurva Joshi, Independent Director

Total of 5 Board Meetings were held during the financial year ended March 31, 2024, detailed as under. The maximum gap between any two Board Meetings was less than 120 days.

Sr. No	Meeting dates
1	May 18, 2023
2	August 1, 2023
3	October 27, 2023
4	December 15, 2023
5	February 6, 2024

The Board Meeting attended by each Director is as follows –

Sr. No	Name of Directors	No. of Board Meeting attended
1	Mr. Sunil Kulkarni	5
2	Mrs. Prachi Kulkarni	5
3	Mr. Shyamak Kulkarni	5
4	Mr. Pradeep Dharane	4
5	Dr. Girish Desai	5
6	Dr. Apurva Joshi	5

## 12. COMMITTEES OF THE BOARD

### I. AUDIT COMMITTEE

Your Directors have constituted the Audit committee in accordance with Section 177 of the Companies Act, 2013 read with rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 on April 15, 2022. The members of the Committee are as follows:

1. Dr. Apurva Joshi, Independent Director, Chairperson of the Committee
2. Mrs. Prachi Kulkarni, Managing Director
3. Mr. Girish Desai, Independent Director

Four (4) meetings of the Committee were held during the period ended March 31, 2024 on May 18, 2023, August 1, 2023, October 27, 2023 and February 6, 2024 ; detailed as under:

Names of Members	No of meetings attended
Mrs. Apurva Joshi	4
Mrs. Prachi Kulkarni	4
Mr. Girish Desai	4

Further, there were no such instances where the recommendation of the Audit Committee were not accepted by the Board during the financial year under review.

### II. NOMINATION AND REMUNERATION COMMITTEE

Your directors have constituted a Nomination and Remuneration Committee as required under the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee consists of following members:

1. Dr. Girish Desai, Independent Director, Chairman of the Committee
2. Dr. Apurva Joshi, Independent Director
3. Mr. Pradeep Dharane, Independent Director

Two (2) meetings of the Committee were held during the period ended May 18, 2023 and on December 15, 2023, detailed as under:

Names of Members	No of meetings attended
Dr. Girish Desai	2
Dr. Apurva Joshi	2
Mr. Pradeep Dharane	1

Policy on Nomination and Remuneration for the Board and Senior Officials is available on the website of the Company at <https://www.fidelsoftech.com/corporate-policies/>

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Board has constituted Stakeholders Relationship Committee under the provisions of Section 178(5) of Companies Act, 2013 on April 15, 2022. The Committee consists of following members:

1. Mr. Pradeep Dharane, Independent Director, Chairman of the Committee
2. Mrs. Prachi Kulkarni, Managing Director
3. Dr. Apurva Joshi, Independent Director

No Meeting held during the year under report.

This Committee is primarily responsible for reviewing all matters connected with the Company's transfer/ transmission of securities and redressal of shareholder's / investor's / security holder's complaints.

## 13. DETAILS OF SUNSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company neither has any Subsidiary, Joint Venture nor Associate Company.

## 14. INTERNAL FINACIAL CONTROL AND RIKS MANAGEMENT

The Company has in place adequate internal financial control commensurate with its size and operations. During the year, no reportable material weakness was noticed.

The Company has an annual Internal Audit plan in place specifying the scope of the work, independence, and responsibility of the Internal Auditors. The periodic Internal Audit reports are reported to the Audit Committee along with Management response.

The Company has developed and implemented a risk management framework which identifies major risks which may threaten the existence of the Company. A risk mitigation process and measures have also been formulated.

**15. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company to the best of its knowledge and ability confirm that:-

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any; they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for that period.
2. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
3. they have prepared the annual accounts on a 'going concern' basis.
4. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**16. WHISTLE BLOWER MECHANISM**

The Company has in place a Whistle Blower Policy establishing a vigil mechanism, to provide a formal mechanism to the Directors, employees, and others to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail such mechanism and provide for direct access to the Chairman of the Audit Committee. Whistle Blower policy is available on the website of the Company at this link <https://www.fidelsoftech.com/corporate-policies/>

There were no complaints received under this mechanism during the Financial Year under review.

**17. DISCLOSURE REQUIRED UNDER SECTION 134(3) (e)**

The Board has adopted a Board Diversity Policy which sets the criterion for appointment as well as continuance of Directors, at the time of re-appointment of director in the Company. As per the policy, the Board has an optimum combination of members with an appropriate balance of skill, experience, background, gender and other qualities of directors required for the effective functioning of the Board.

The Nomination & Remuneration committee recommends remuneration of the Directors, subject to overall limits set under the Act, as outlined in the Remuneration Policy. The Nomination and Remuneration Policy is available on the website of the Company at <https://www.fidelsoftech.com/corporate-policies/>

**18. AUDITORS**

**a. Statutory Auditors-**

The Statutory Auditors, M/s. Kirtane & Pandit, Chartered Accountants, Firm Registration No. 105215W/W100057, were appointed to hold office for five years from April 1, 2021.

- i. With reference to point no 2(h) (vi) in Report or other regulatory requirements of the Auditors Report, your directors wish to clarify that-  
Due to technicality, adoption of system took twelve days.
- ii. With reference to point no III (b) Annexure A to Independent Auditors Report, your Directors wish to submit that, the company has entered into revised Memorandum Of Understanding(MOU) and henceforth the principle Repayment and interest payment will be as per the said MOU.

The Unmodified opinion of Auditors on the Financial Statement of the Company for Financial Year 2023-24 is enclosed along with this report. There were no cases of fraud detected and reported by the Auditor under Section 143(12) during the financial year.

## **b. Secretarial Auditors**

The Company had appointed M/s Dakhawe Apte & Associates, Company Secretaries (UCN PH2022MH090400) as Secretarial Auditors of the Company for FY 2023-24, however, due to the death of Mr. Raghunath Apte, Partner, Dakhawe Apte & Associates, the Secretarial Auditors expressed their inability to continue.

The Company appointed CS Yogesh Kandalgaonkar (FCS No. 6197, CP No. 20316) as Secretarial Auditor of the Company in the Board Meeting held on 8<sup>th</sup> May, 2024 in accordance with the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2023-24.

The report of the Secretarial Auditor MR-3 for the financial year 2023-24 is enclosed as Annexure 'III' to this Board's Report, which is self-explanatory. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **C. Internal Auditors**

The Company has appointed M/s Milind Sangoram and Co, Chartered Accountants, Pune (Membership No 151555) as the Internal Auditors of the Company under the provisions of section 138 of the Act, for conducting the internal audit of the Company for the financial year 2023-24.

## **19. LOANS AND INVESTMENT**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements. There were no new Loans or Guarantees of Investments made by the Company in the current Financial Year.

The details of all loans, guarantees and Investment are available in the Register maintained under Section 186 of the Act, which is available for inspection during business hours on all working days (except Saturday and Sunday).

## **20. RELATED PARTY TRANSACTION**

All related party transactions (RPT) that were entered into during the Financial Year ended 31<sup>st</sup> March 2024 were at an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Act were not applicable.

In compliance with the provisions of the Act, each transaction as entered by the Company with its related parties is placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and repetitive in nature. The transactions pursuant to the omnibus approval so granted, are audited and a detailed quarterly statement of all such RPTs is placed before the Audit Committee for its review.

Also, there were no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related parties for the year, as per Accounting Standard-18 Related Party Disclosures is given in Note no 29 to the Financial Statements as on 31<sup>st</sup> March 2024.

## **21. SECRETARIAL STANDARDS**

The Company generally complies with all applicable secretarial standards, issued by the Council of the Institute of Company Secretaries of India and made applicable as per Section 118(10) of the Act.

## **22. TECHNOLOGY AND CONSERVATION OF ENERGY**

Details of Technology Absorption are given elsewhere in the report. We recognize the urgent need to address environmental challenges, and we have implemented several initiatives to reduce our ecological footprint.

## **23. FOREIGN EXCHANGE AND OUTGO**

The Company had a total foreign exchange earnings and outgo as provided below during the year ended 31<sup>st</sup> March 2024:

Amount in ₹

Foreign Exchange Earnings	₹ 39,22,14,411
Foreign Exchange Outgo	₹ 50,533,335

## **24. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your company has always believed in giving back to society in a meaningful way. The Company has formulated a Corporate Social Responsibility Policy and the Corporate Social Responsibility Committee of the Board oversees formulating, implementing, monitoring and reviewing the impact of the Corporate Social Responsibility (CSR) initiatives of the Company.

A detailed report on the Corporate Social Responsibility is enclosed as an Annexure II to this report.

Your Company firmly believes in the importance of Corporate Social Responsibility (CSR) and strives to make a positive impact on society and the environment. We believe in empowering communities and making a meaningful difference in people's lives. We have partnered with local educational institutions and organizations to provide educational opportunities and skill development programs for underprivileged communities. By focusing on education, we aim to empower individuals and enhance their employability.

We supported early-stage startups by contributing to Incubation centers and support the "Make in India" philosophy.

**25. HUMAN RESOURCES**

We are committed to fostering a diverse and inclusive work environment. We promote equal opportunities, respect for all individuals. Our diversity and inclusion initiatives aim to create a workplace that celebrates differences and ensures fairness and equality.

Factors such as a pleasant and safe working environment, fair wages, and opportunities for growth and development contributed to a healthy attrition rate. The details of various Human Resource initiatives are provided elsewhere in the report.

**26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ) ACT, 2013**

Your Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. (POSH Act). During the year under review, there were no cases filed pursuant to this Act. Training was conducted to raise awareness for rights and obligations, code of conduct under POSH Act.

The Internal Committee is committed to ensure that all the provisions and best practices under the POSH Act are implemented in law and spirit.

1.	No. of complaints received in the year	Nil
2.	No of complaints disposed off in the year	Nil
3.	Cases pending for more than 90 days	NA
4.	No of workshops and awareness programs conducted in the year	1
5	Nature of action by employer or District officer, if any	NA

**27. CORPORATE GOVERNANCE**

Since the Company is listed on NSE Emerge the Company is exempt from applicability of certain regulations pertaining to 'Corporate Governance' under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has been practicing sound Corporate Governance and takes necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions and strive to comply non-mandatory requirements of Corporate Governance.

Report on Corporate Governance Practices and the Auditors Certificate regarding compliance of conditions of Corporate Governance and certification by CEO/Whole time Director & CFO is not applicable to your Company as per regulation 15(2) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**28. PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION:**

The details of Managerial Remuneration, Key Managerial Personnel and employees of the Company as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been set out as Annexure I to this report.

**29. OTHER DISCLOSURE**

Disclosures as required under Section 197(12) of the Act read with the applicable rules and details as per Rule 5(2) of the Companies (Appointment and Remuneration of Personnel) Rules, 2014 are given as Annexure to this Report.

1. Cash Flow Statement for the financial year ended March 31, 2024, is attached to the Financial Statements.
2. No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.
3. No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.
4. There is nothing report under the Insolvency and Bankruptcy Code, 2016 this for the Financial Year ended March 31, 2024.

5. Nil Disclosures: Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:
- I. The Company has not accepted any deposits during the year under review.
  - II. The Company is not required to maintain Cost Accounting records as per Rule 8(5)(ix)(d) of the Companies (Accounts) Rules, 2014.
  - III. There were no shares Issued (including sweat equity shares) to employees of the Company under any scheme.
  - IV. The Company has no subsidiary and neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
  - V. There was no instance of a difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

### 30. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, hence, there is nothing to be mentioned in the Board's report in this regard.

### 31. ACKNOWLEDGEMENT

As we move forward, we remain committed to transparency, accountability, and delivering sustainable returns on investments of our shareholders. Your feedback and insights continue to shape our strategies and guide our decision-making processes. We value your perspectives and will always strive to uphold the highest standards of corporate governance.

The Directors express their gratitude to the employees and partners for their dedication and contribution to the company's success. We also extend our appreciation to our valued customers, suppliers, and shareholders for their continued support and trust.

We are excited about the future and the opportunities it holds. Together, we will continue to build a brighter and more prosperous future.

For and behalf of Board of Directors  
Of **Fidel Softech Limited**

#### **Sunil Kulkarni**

Chairman & Executive Director

DIN : 00752937

Flat No. 6, Senovar Apartment, Lane No. 5,

Anand Park, Aundh, Pune – 411 007,

Date: May 23, 2024

Place: Pune, India

### Annexure I

Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014

1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2024

As on March 31, 2024	As on March 31, 2023
Chairman & Executive Director: 4.84:1	Chairman & Executive Director: 6.47:1
Managing Director: 4.84:1	Managing Director: 6.47:1
Non – Executive Directors: NA #	Non – Executive Directors: NA #
Median Remuneration is INR 7,44,000	Median Remuneration is INR 5,56,524

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year ended March 31, 2024

Name and Designation	% Increase in the remuneration	The ratio of remuneration to the median remuneration of the employees
Mr. Mandar Inamdar, Chief Financial Officer	5.20%	6.5:1
Mrs. Neha Joshi Company Secretary (Resigned w.e.f October 30, 2023)	9%	1.75:1
Mrs. Sneha Ratnaparkhi (Appointed as CS w.e.f December 15, 2023)	NA	NA

3. The percentage increase in the median remuneration of employees in the Financial Year March 31, 2024

As on March 31, 2024	As on March 31, 2023
34%	11.24%

4. The number of permanent employees on the role of the Company:

As on March 31, 2024	As on March 31, 2023
Employees - 191	Employees - 166
Contractors – 85	Contractors – 36

5. Average percentiles increase already made in the salaries of the employees other than the managerial personnel in the financial year 2023-24 was 15.17%.
6. It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2024 is as per the Remuneration Policy of the Company.
7. There is nothing to report under Rule 5(2) of the Companies (Appointment & Remuneration) Rules, 2014

# All the Non-Executive Directors were not paid any Remuneration except sitting fees in the Financial Year ended March 31, 2024

Details of Top Ten Employees of the Company would be provided to any Shareholder who makes a request for the same.

## Annexure II

### Annual Report on CSR Activities for Financial Year ended March 31, 2024

1. Brief outline on CSR Policy of the Company:

Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and transparency. The policy and Projects can be accessed on the website of the Company <https://www.fidelsoftech.com/corporate-policies/>

The Company has identified and considered areas of operations as per Schedule VII of the Companies Act, 2013 and is being spending accordingly

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of CSR Committee Meetings held	Number of Meetings attended by member during the year
1	Prachi Kulkarni	Chairperson	1	1
2	Sunil Kulkarni	Member	1	1
3	Girish Desai	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.fidelsoftech.com/corporate-policies/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – **Not Applicable for the financial year under review.**

5. (a) Average net profit of the company as per section 135(5). - ₹ **60,098,764.33/-**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹**12,01,975.29/-**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years ₹ **2024.71/-**

(d) Amount required to be set-off for the financial year, if any - NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ **12,01,975.29/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ **12,04,000/-**

(b) Amount spent in Administrative Overheads - NIL

(c) Amount spent on Impact Assessment, if applicable - NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] -. ₹ **12,04,000/-**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1204000/-	0	NA	NA	0	NA



7. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
<b>NA</b>							
	<b>Total</b>						

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
<b>NA</b>							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **NA**

Sd/-  
**Prachi Kulkarni**  
DIN 03618459  
(Managing Director).

Sd/-  
**Girish Desai**  
DIN 08328701  
(Chairman CSR Committee).

**Annexure III**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year Ended 31.03.2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Fidel Softech Limited**  
Unit No. 202, 2<sup>nd</sup> Floor, Marisoft 3,  
West Wing, Marigold Software IT Park,  
Vadgaon Sheri, Pune 411014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fidel Softech Limited (CIN: L72200PN2004PLC020061) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (There were no Foreign Direct Investment transactions, Overseas Direct Investment transactions and External Commercial Borrowing transactions in the Company, during the Audit Period.) However, the annual return on Foreign Liabilities and Assets (FLA Return) required to be submitted under the provisions of Foreign Exchange Management Act, 1999 for the financial year 2022-23 has not been submitted by the Company on or before the due date of July 15, 2023. The Company submitted the subject FLA Return on May 21, 2024.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the year under review not applicable to the Company);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the year under

review not applicable to the Company);

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the year under review not applicable to the Company); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) As informed by the Company, no other law(s) is applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

**Yogesh Kandalgaonkar**

**Company Secretary**

FCS No. 6197, C.P. No. 20316

UDIN: F006197F000421502

Peer Review Certificate Number: 2620/2022

**Place: Pune**

**Date: May 23, 2024**

*This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.*

## Annexure to the Secretarial Audit Report

To,

The Members,

**Fidel Softech Limited**

Unit No. 202, 2<sup>nd</sup> Floor, Marisoft 3,  
West Wing, Marigold Software IT Park,  
Vadgaon Sheri, Pune 411014

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Yogesh Kandalgaonkar**

**Company Secretary**

FCS No. 6197, C.P. No. 20316

UDIN: F006197F000421502

Peer Review Certificate Number: 2620/2022

**Place: Pune**

**Date: May 23, 2024**

**Annexure III to the Report of the Directors**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1 Details of contracts or arrangements or transactions not at arm's length basis:**

Fidel Softech Limited (the 'Company') has not entered into any contract / arrangement /transaction with its related parties which is not in ordinary course of business or at arm's length during Financial Year 2023-24.

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts/arrangements/transactions: Not Applicable
- c. Duration of the contracts/arrangements/transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f. Date(s) of approval by the Board: Not Applicable
- g. Amount paid as advances, if any: Not Applicable
- h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

**2 Details of material contracts or arrangement or transactions at an arm's length basis: - Not Applicable**

## **Management Discussion & Analysis**

# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

The fiscal year 2023-2024 marked the second year following Fidel's listing on the National Stock Exchange's SME platform. This period was pivotal in demonstrating a sustained growth quarter on quarter. Fidel witnessed a consistent investor confidence throughout the year, leading to increased liquidity and a subsequent change in lot size during the latter half of the year. This Management Discussion and Analysis (MD&A) report offers an insight into the company's performance, identifies key factors influencing financial results, and presents management's outlook for the future.

## Global Economy

In 2023, the technology industry experienced a sluggish performance globally together with an impact from generative AI. A significant challenge for tech companies now is navigating a potential economic slowdown by implementing cost-cutting measures, enhancing operational efficiency, and seeking avenues for revenue growth. Concurrently, there is a pressing need for innovation to maintain a competitive edge in the market.

As product demand wanes, consumer spending decreases, and valuations decline, tech company executives face significant pressure to streamline costs and improve profitability. In response, they are undertaking strategic talent reviews, modernizing technological infrastructure and exploring opportunities for mergers and acquisitions. It is imperative for tech leaders to adopt a balanced approach, incorporating strategies that position them to emerge from economic challenges with the right technology, talent, and growth prospects in place.



# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

## Industry structure and developments.

Fidel Softech is a Langtech consulting company helping clients go global by delivering technology-driven solutions and services with last-mile delivery (UI /UX) in local languages. Language localization globally is an 80 Billion plus dollar business and Fidel differentiates itself through a unique combination of language, technology, and consulting expertise.

## Our offerings include:

### LangTech

- Localization Engineering
- Language Technology
- Localization (L10N)
- Translation Services  
(Using Machine Translation & Post Edit)
- AI/ML - LLM
- Services for 100 + global Languages

### IT Services

- Software Development
- Digital Transformation Services
- Infra & Cloud Support
- Product Dev Services
- Global capability Services (GCC)

### Enterprises Solutions

- ServiceNow
- Infor Syteline Support
- Data Analytics Support
- Fintech Solution
- New Technology Lab

### Consulting

- Bilingual Staffing
- EaaS/Staffing

### Other Consulting Services (New)

Japan-India business consulting services



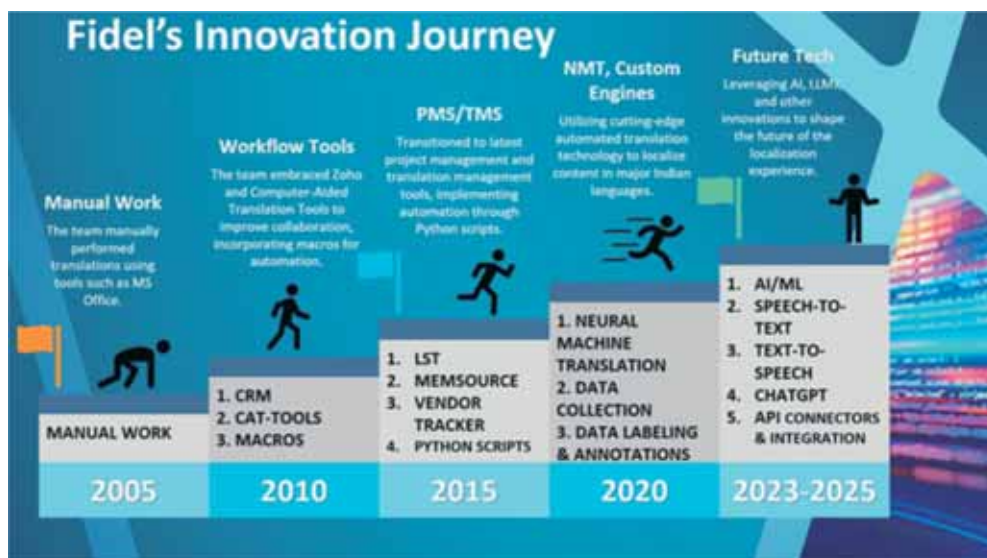
# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

Fidel continues to collaborate with both end-user firms and system integrators and has the systems and process in place to take on integrated projects, leveraging our capabilities to provide holistic solutions for global corporations and governments. We are extensively enhancing our systems by implementing top-class Translation Management Service (TMS), along with various tools and automations in operations. These enhancements drive efficiency and accuracy in our workflow, ultimately leading to superior business outcomes.

We would like to provide an overview of Fidel's innovation journey in the Langtech space to highlight our capabilities and differentiation in this niche domain. Our journey began with IT services for Japan market where we needed to localize the solutions in Japanese language. Then we got the opportunity to localize and support global ERP solution such as SAP in Hindi & Indian languages paving the way later into 150+ global languages and diverse technology driven solutions and services.

As we progressed, we equipped ourselves with the latest project management and translation management tools, optimize our process and delivered more complex services. These advancements allowed us to delve deeper into the Langtech industry.

The lang-tech industry, like all others, is evolving with AI and ML advancements. We are leveraging AI, large Language Models (LLMs), and other innovations to shape the future of the localization experience. Fidel has begun engaging in AI-related projects, including multilingual prompt engineering, vetting multilingual AI outputs and creating specialized wrappers around AI engines. This proactive approach ensures that we remain at the forefront of industry evolution.



# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

## Innovations

We are keenly focused on various innovation initiatives to serve our clients better with cutting-edge technology. Some of our key steps include:



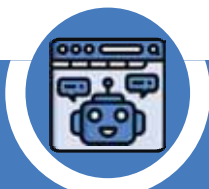
### Speech-To-Text Model

Our Speech-to-Text (STT) system allows users to convert YouTube videos, upload local videos and generate transcriptions in various formats, enhancing accessibility and usability.



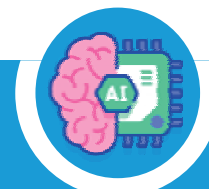
### Text-To-Speech (TTS) Model

We have developed an end-to-end TTS synthesis for diverse Indian languages, integrating multiple speakers within each language. This supports languages such as Hindi, Bengali, Gujarati and more significantly enhancing the audio experience.



### ChatGPT Wrapper

Utilizing OpenAI, Flask, BeautifulSoup, and JSON, we created ChatGPT wrappers to streamline integration into applications. This includes a conversational interface for customer support and automated document querying from PDFs.



### Shakti

An in-house AI driven language translation engine trained on various domains and to suit the unique use-cases in Indian business.

In addition to our language localization and engineering services, Fidel is expanding its offerings in the IT & Consulting services space. This includes pure-play IT services for enterprise solutions (e.g., ServiceNow and Infor Syteline), as well as AI, cloud infrastructure, and security services. These initiatives demonstrate our commitment to innovation and our ability to adapt to the evolving needs of our clients.

# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

With our focus on Japan market for last few years, we see a growing interest from Japanese companies to explore India as a market, as a delivery center leveraging the huge demographic dividend. Fidel acts as a bridge between the countries (Japan & India) and is working closely with Japanese SMEs interested in India. We see electronic firms, IT firms, manufacturing firms interested to leverage technical skillsets available in India. Fidel also trains its staff in Japanese language and ensures bilingual delivery.

The global language services market is poised for strong growth in the coming years, projected to reach \$81.79 billion by 2028 at a compound annual growth rate (CAGR) of 8.3%. This anticipated growth can be attributed to several factors, including the globalization of e-commerce, the imperative for language accessibility in healthcare services, increased demand for multilingual customer support, and government initiatives promoting multilingual communication. Additionally, the rising need for audio-visual content translation, the emergence of multilingual virtual assistants, language services focused on accessibility, and localization efforts within the gaming industry are driving this expansion.

While English continues to be a dominant global language, the current landscape underscores the importance of localization. With the widespread use of smartphones, decreasing costs of data packs, and rising aspirations among people, there's a notable surge in demand for services such as e-commerce, food delivery, healthcare, insurance, and banking across urban, semi-urban, and rural areas. Providing these services with a localized user interface (UI) and user experience (UX) is essential for increasing consumption and driving company growth. Localized web and mobile applications not only enable better decision-making but also play a significant role in educating and raising awareness among consumers, preventing fraud, and fostering trust. Consequently, there is a substantial demand for multilingual marketing and SEO services.

Therefore, Fidel is very optimistic about the future, believing that the demand for Language + Technology + Consulting, localization and language engineering services, as well as IT and consulting services, will continue to grow globally. Fidel is committed to expanding and building the required ecosystem in India to meet these needs.

## **Opportunities, threats, risks and concerns :**

Fidel Softech, a recognized and reputable brand, has maintained a strong presence in the industry for over 15 years. Fidel is dedicated to upholding the highest standards of ethical conduct and corporate governance.

# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

While Fidel is confident in its ability to achieve strategic objectives, it is essential to acknowledge potential risks and uncertainties that could impact performance. These include changing market conditions, regulatory challenges, and economic fluctuations. Fidel actively monitors these factors and implements contingency plans to mitigate associated risks.

The company is well-positioned to seize various opportunities. With globalization, there is an increasing demand for multilingual communication services, allowing Fidel to tap into new markets and industries that require localization and translation. The integration of AI, including Machine Translation (MT) and advanced models like ChatGPT, offers significant potential for enhancing service offerings, improving efficiency, and increasing accuracy in translation processes. Strategic partnerships with tech companies and other industry players can also open new avenues for growth and innovation, providing Fidel with access to cutting-edge technologies and new customer bases. Additionally, investing in the continuous training and development of its workforce ensures that Fidel remains at the forefront of industry standards and practices, enhancing its competitive edge.

However, Fidel also sees some challenges. The translation and localization industry are highly competitive, necessitating constant innovation and high service quality to maintain a competitive edge. Rapid technological changes pose a threat if the company does not keep pace with advancements. Furthermore, changes in regulations across different markets can impact operations, requiring adaptability and compliance with new legal requirements.

Fidel must also navigate various risks and concerns. Global economic instability can affect client budgets and spending on translation and localization services, impacting revenue streams. Ensuring robust data security measures is critical to prevent data breaches and maintain client trust, given the sensitive and confidential information handled by Fidel. Attracting and retaining skilled professionals is vital for sustained growth, as high turnover rates could affect project delivery and service quality. Additionally, over-reliance on a few major clients could pose a risk if any of these clients reduce their business or switch to competitors.

As Fidel is not a pure-play language agency but a tech firm, the advent of AI, including Machine Translation & ChatGPT in translation is not seen as a threat. Instead, AI creates opportunities for large-scale multilingual data creation and fine-tuning which Fidel can capitalize on due to its combined linguistic and technological expertise.

# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

## Segment-wise or product-wise performance.

Fidel has made significant strides across various segments, delivering key projects and initiatives particularly in the areas of language localization and engineering services. Some notable accomplishments include:

### Language Localization and Engineering Services:

**ASR Data Science Team Empowerment:** Enabled Asian and Indian language users to communicate with a global IT giant's systems in their native languages.

**E-Learning Content:** Developed financial literacy content in seven local Indian languages.

**AI-Powered Solutions:** Engaged in projects involving multilingual prompt engineering, vetting multilingual AI outputs, and creating specialized wrappers around AI engines for chatbots and virtual assistants.

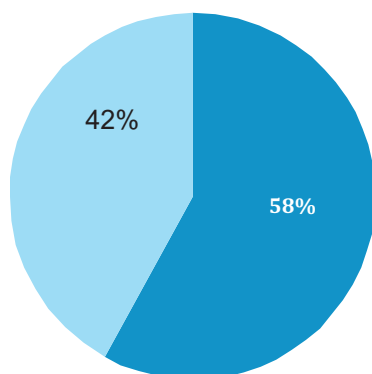
In January 2024, Fidel expanded its operations by setting up a team of 40 language engineers along with management and HR operations at the Hyderabad office.

### IT & Consulting Services:

**Enterprise Solutions & Services Implementation:** Successfully executed two projects for Infor Syteline in Japan and the USA as well as continue to provide ServiceNow services to existing clients.

## Financial Performance

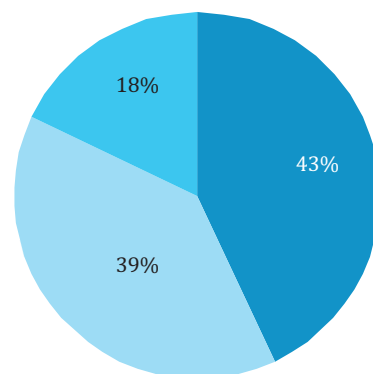
### Sales Division Performance:



■ Language Localization & Engineering   ■ IT & Consulting Services

### Geographical Contribution

Fidel's revenue distribution by region is as follows:



■ APAC   ■ EMEA   ■ USA

These achievements underscore Fidel's commitment to delivering high-quality services and expanding its reach across different geographies and industry segments.

# MANAGEMENT DISCUSSION ANALYSIS (MD&A)

## Internal control systems and their adequacy.

Our internal control systems are designed to provide reasonable assurance regarding the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations. We continually assess the adequacy of our internal control systems to ensure they meet the evolving needs of our business. During the most recent evaluation, we identified no material weaknesses or significant deficiencies. Furthermore, our internal audit function regularly reviews and tests the effectiveness of these controls, recommending enhancements as necessary. We remain committed to maintaining robust internal control systems that support accurate financial reporting and effective governance.

## Discussion on financial performance with respect to operational performance

In the financial year 2023-2024, Fidel has demonstrated continuous growth, quarter on quarter, with increased revenue, sustainable profit margins and enhanced positive cash flow generation. We would like to highlight certain factors that contributed to our revenue growth, profits, and positive cash flows:

**Strategic Client Base:** Fidel's active strategic client base consists of over 25 clients, with our top 10 clients contributing to 80% of our revenues. This significant revenue generation from existing clients is attributed to our exceptional service delivery in terms of quality, communication, timeframe adherence, and value for money.

**New Client Acquisition:** In addition to our existing client set, Fidel added 21 new clients this year, expanding our market reach and diversifying our revenue streams.

**Engagement in Industry Events:** Fidel actively participated in various relevant events and seminars to connect with the right customers and prospects, strengthening our industry presence and client network.

**Effective Marketing Campaigns:** Our consistent marketing efforts included regular website updates, social media campaigns, and regular newsletters to client & prospects. These initiatives have been instrumental in lead generation and increasing brand visibility.

**Investment in New Competencies:** Continuous efforts in developing new competencies, such as ServiceNow, Infor Syteline and Cloud technologies, along with reskilling our teams for upcoming technological advancements, have positioned Fidel as a forward-thinking service provider.

# Financial Performance

**Operational Efficiency:** Our process-oriented approach and automation have helped in keeping operating expenses in check. Through cost-saving measures and efficient operations, we have ensured that a larger portion of revenue converts into healthy operating cash flow.

**Currency Risk Management:** Given that a major portion of our revenue is generated from the Japanese market, we implemented currency forward contracts to mitigate the risk of forex losses amid the weak trend of the Japanese yen.

These strategic initiatives have collectively contributed to Fidel's robust financial and operational performance this year.

## Financial Performance over the years since listing-

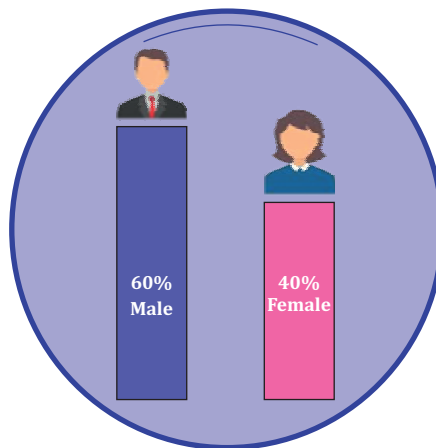
Ratios	FY24	FY23	% Variance	Reason for variance
Current Ratio	7.76	9.28	-16%	Variance is due to the increase in provisions for expenses
Debt-Equity Ratio	--	--	--	--
Return on Equity Ratio	0.17	0.23	-24%	Variance is due to increase in shareholder's equity due to the increased reserves.
Trade payables turnover ratio	9.83	11.02	-11%	As business increases ratio is at slightly higher side.
Trade Receivables turnover ratio	3.68	4.27	-14%	Higher Receivables as Business increases. More Focus will be on coming in collection Months
PBIT %	12%	21%	-9%	Drop on account of Aggressive business development and marketing spend as company

# Human Resources

At the start of the financial year 2023, Fidel's workforce consisted of 166 employees and 36 consultants. Over the course of the year, with the establishment of our new office in Hyderabad, our team has grown to 191 employees and 85 consultants. Additionally, we hired eight strategic key roles across various departments, including Sales, Finance, and Localization, to support our expanding operations and drive further growth.

Our highly qualified staff ensures the maintenance of work quality. We have a combination of graduates, linguistic professionals and postgraduates, ensuring a diverse and skilled team.

These reflect our dedication to building a versatile and knowledgeable workforce that can meet the dynamic needs of our industry. We take pride in our inclusive work environment, characterized by a balanced team composition: 40% female employees and 60% male employees.



## Inclusive Team Composition

At Fidel, our HR policies are meticulously crafted to foster innovation, support employee growth and ensure a productive and inclusive workplace. Our recruitment and on boarding processes are designed to promote diversity and inclusion, focusing on candidates' skills and potential rather than traditional qualifications. This approach is complemented by a comprehensive on

boarding program that helps new employees integrate smoothly and start contributing effectively.

Training and development are core to our HR strategy. We provide regular training sessions, workshops and certifications to keep our employees updated on the latest technologies and industry trends. Tailored personal development plans and leadership training



# Human Resources

programs are in place to help employees achieve their career goals and develop future leaders within the organization.

Our performance management system involves setting clear, SMART objectives that align with the company's goals. Regular feedback through one-on-one meetings, quarterly reviews, and annual performance appraisals ensures continuous improvement. We also have a robust system for recognizing and rewarding high performance, innovation and teamwork which keeps employees motivated.

We prioritize work-life balance by offering flexible working hours as and when required remote work options, and generous leave policies, including vacation, sick leave, and mental health days. Our wellness programs, which include fitness months, meditation sessions, and health check-ups, support the physical and mental well-being of our employees.

Fidel offers competitive compensation and benefits packages, regularly benchmarking salaries to remain competitive in the market. Our performance-based variable component and incentives reward exceptional work, while comprehensive benefits like health insurance provide additional security for our employees.

Employee engagement is enhanced through open communication channels between

employees and management, regular employee surveys to gather feedback, and team-building activities that foster collaboration and camaraderie.

Human Resources - Ethics and compliance are foundational to our operations. We have a clear code of conduct outlining workplace behavior, ethics, and compliance standards, supported by confidential reporting mechanisms and regular training on ethical practices.

Career growth opportunities are clearly defined at Fidel, with transparent criteria and pathways for promotion. Mentorship programs allow less experienced employees to learn from seasoned colleagues, while internal mobility encourages employees to explore different roles within the company. Finally, our termination and offboarding processes are transparent and fair, including exit interviews to gather valuable feedback and maintain positive relationships with former employees through alumni networks. By implementing these comprehensive HR policies, Fidel ensures a positive and productive work environment that attracts and retains top talent.



# Employee Engagement Activities

Fidel understands employee engagement activities are important because they foster a positive work environment, enhance productivity and innovation, improve retention rates, strengthen teamwork, and drive business success. It is essential for organizations looking to create a thriving and high-performing workforce.

Throughout the year, Fidel conducts various events and initiatives aimed at promoting camaraderie, well-being, and recognition among its employees. These initiatives include:

**Festival Celebrations:** Fidel organizes festive celebrations with fun activities, encouraging employees to participate in traditional attire, enjoy delicious food, exchange gifts, and engage in cultural festivities. These events not only celebrate diversity but also create a sense of belonging and unity among employees.

**Fitness Programs:** Fidel promotes employee well-being through various fitness programs, including sports matches, fitness challenges, health checkups, meditation sessions, and health awareness sessions. These initiatives not only promote physical fitness but also contribute to stress reduction and overall well-being.

**Annual Party:** The annual party serves as a platform for employees to come together in a relaxed and informal setting. It provides an opportunity for employees to connect with each other, unwind, and strengthen bonds outside of the workplace. The festive atmosphere fosters a sense of community and camaraderie among employees.

**Awards and Recognitions:** Fidel recognizes and appreciates the contributions of its employees through various award programs, including spot awards, employee of the month awards, and milestone achiever awards. These recognitions not only acknowledge employees' hard work and dedication but also motivate them to continue excelling in their roles.

**Picnics and Fun Games:** Fidel organizes picnics and fun games for employees, providing them with an opportunity to relax, unwind, and engage in recreational activities with their colleagues. These outings promote team bonding, collaboration, and a sense of fun and camaraderie among employees.

**Warm Welcome for New Joiners:** Fidel ensures that new employees feel welcomed and valued from day one. New joiners are greeted with warm welcomes, gifts, and team lunches, creating a positive first impression and helping them integrate into the company culture seamlessly. Thorough induction processes ensure that new employees receive the necessary support and guidance to succeed in their roles.

**Women's Day Celebrations:** Fidel celebrates International Women's Day with special events and initiatives to honor and empower women in the workplace. These celebrations include inspirational talks, panel discussions, and activities aimed at recognizing the achievements and contributions of women employees.

By investing in employee engagement, Fidel nurtures a culture of collaboration, positivity, and excellence, driving employee satisfaction and organizational success.

# Employee Engagement Activities



**Dasara Celebration 2023**



**Independence Day Celebration 2023**



**Trip to Bedse Caves**



**Annual Awards 2023**



**Women's day celebration 2024**



**Blood donation camp at Fidel**

# Award for New Product and Design



**Mrs. Prachi Kulkarni, Managing Director, Fidel Softech Limited honored by MCCIA Pune with “Award for New Product and Design”**



**Fidel Softech Limited, recognized with DCCIA prestigious award “Excellence in Language and Technology”**

# Event Participation

Fidel's presence in the industry, both locally and globally, has been robust, demonstrated through active participation in a diverse array of industry-focused events, spanning from in-person gatherings to virtual conferences. These events serve as invaluable platforms for Fidel to forge connections with prospective clients, nurturing leads along the way. Moreover, they afford Fidel the opportunity to showcase its thought leadership and expertise across various competencies and business domains.

The Fidel team exhibits versatility in their engagement with events, ranging from intimate networking sessions to grand exhibitions. Regardless of the event's scale, the team consistently ensures maximum impact by meticulous preparation, active engagement with attendees, and adept presentation of Fidel's offerings and capabilities.

In response to the changing landscape brought about by the pandemic, Fidel has seamlessly transitioned to participating in virtual events, which have witnessed a surge in acceptance.

These virtual platforms transcend geographical barriers, enabling Fidel to connect with a global audience while showcasing its competencies and skills in an online setting.

In summary, Fidel's involvement in these focused industry events serves as a potent tool for business promotion, lead generation, and client engagement. Moving forward, Fidel remains committed to identifying and participating in such events to continually strengthen its industry presence and expand its reach.

Some of the noteworthy events Fidel participated in this year are -

NO	Event Details
1	SAP Language Forum 2023
2	LocWorld49, Sweden
3	India - Japan Business Summit, Mumbai 2023
4	MTS, 2023 - China
5	Global Fintech Festival, Mumbai
6	NASSCOM Annual Conference 2023, Haryana
7	SAMVAD Virtual 2023
8	LocWorld50, 2023 North America
9	GITEX GLOBAL, DevSlam 2023 Dubai
10	Vietnam India Business Conference, 2023 Mumbai
11	CXO Panel discussion "Future of Work" organized by HR Infotech Association & MIT ADT University
12	Konnichiwa, Pune 2023
13	NASSCOM NASTech 2023
14	Global Partnership on Artificial intelligence (GPAI) Summit, New Delhi , 2023
15	India Soft Delhi 2024
16	Pune International summit 2024

# Event Participation



CXO Panel Discussion



India-Japan Business Summit, Mumbai 2023



LocWorld50, Silicon Valley, 2023



Global partnership on Artificial intelligence Summit-2023



Konnichiwa Pune 2023



Pune International Business Summit 2024



IndiaSoft 2024, New Delhi



GITEX GLOBAL, DevSlam 2023, Dubai

# Corporate social Responsibility Initiatives in the year 2023-24

The CSR for the Financial Year 2023-24 is approx. ₹ 12 lakhs. All CSR initiatives have a technology, languages, startup / digital focus.

Sr. No	Name of trust where CSR activity done/to be done	Amount (in Rs)
	Total CSR to be done	1,201,975.29
1	THINKSHRAP FOUNDATION - All in one Digital Class	319,000.00
2	Vidyarthi sahayak Samiti - Support for girl education	120,000.00
3	Rotary Gandhi Bhavan Japanese language proficiency course for rural students in Baramati	105,000.00
	Borewell Recharge using patented Rorecharger Technology	200,000.00
4	COEP Bhau - Funding, mentoring and incubating the start-ups	400,000.00
5	Aseem Foundation - Solar Electrification Project	60,000.00
	Total	1,204,000.00



Fidel supports Ghotkulewadi School in Pune, 2024



# Memberships

Fidel recognizes that membership in a professional organization can provide numerous benefits, from access to valuable resources and recognition to advocacy and influence within the industry. Some of these associations include:



Globalization & Localization Association

**NASSCOM**<sup>®</sup>

National Association of Software and Service Companies



Mahratta Chamber of Commerce Pune



Confederation of Interpreting, Translation and Localization Businesses



Indo-Japan Business Council



Collective community of Global Tech leaders



Commercial business data analytics providers



Deccan Chamber Of Commerce Industries & Agriculture, Pune

## Certifications

Fidel takes pride in its attainment of various certifications that adhere to international standards. These certifications yield a multitude of advantages for organizations, encompassing enhancements in internal processes and

workflows, bolstered credibility, heightened customer satisfaction, increased efficiency, a competitive edge, access to new markets, and enhanced risk management. Among the certifications acquired by Fidel are:

1	ISO 9001:2015 Certification	Fidel ISO 9001-certified Quality Management System (QMS) ensures high customer satisfaction.
2	ISO/IEC 27001 Certification	ISO/IEC 27001 is an information security management system (ISMS).
3	ISO 17100:2015 Certification	Fidel is ISO 17100 certified for Translation services - Requirements for Translation services (one of the early adopters of this certification).
4	ISO 18587:2017 Certification	Fidel is ISO 18587:2017 certified for Translation services - Post-editing of machine translation output - Requirements.



# Outlook

Fidel Softech is well-positioned for significant growth in the coming years, driven by its development of niche competencies in language engineering, localization & IT consulting services. The rise of AI, particularly large language models (LLMs), amplifies the potential of these services. With its internal expertise in linguistics and technology, Fidel stands to capitalize on this trend effectively.

The enterprise solutions division at Fidel has developed strong capabilities in platforms such as ServiceNow and Infor Syteline, which are gaining traction due to the increasing focus on digital transformation initiatives. Additionally, Fidel has expanded its competencies to include testing gaming applications, security services, and managed services, which are expected to see substantial growth in the future.

While many firms have concentrated their efforts on the US market, Fidel has successfully established a significant presence in Japan, a market known for its high entry barriers. Through long-term personal relationships, Fidel has created a strong foothold in Japan, offering a unique competitive advantage. The company has also maintained robust delivery practices for its existing customers, ensuring excellent after-support, follow-up, and account management.

Fidel's proactive investment in sales teams, digital marketing initiatives, and participation in industry events has strengthened its presence in fast-moving markets such as the US, EMEA, and India. This strategic focus,

combined with the development of new competencies, presents substantial growth potential.

The collaboration between Fidel's sales, marketing, and delivery teams has been instrumental in generating leads, converting them into clients, and successfully delivering projects for long-term business commitments. The delivery team is dedicated to team building, training, re-skilling, automation, and process optimization to sustain growth. Fidel has also effectively utilized digital marketing activities such as emails, newsletters, blogs, podcasts, and social media to promote its business.

Looking ahead, Fidel remains focused on delivering value to its shareholders, customers, employees, and the broader community. The company anticipates sustained revenue growth by leveraging its strong brand reputation, expanding its customer base, and capitalizing on new market opportunities. Innovation will continue to be a priority to maintain a competitive edge.

With plans for a 30-40% growth this year it remains committed to achieving quality revenues and healthy profits. This commitment includes investing in necessary skill sets, teams, and tools, as demonstrated by the establishment of the Hyderabad center.

Fidel continues to strengthen its competencies in enterprise products like ServiceNow and Infor, digital technologies (UI/UX), language engineering, and bilingual consulting. The

# Outlook

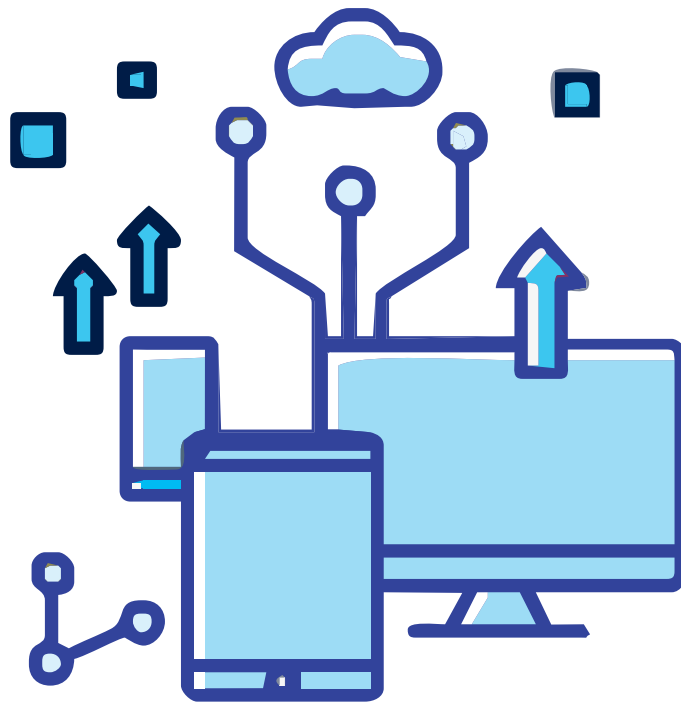
company sees growing demand in security and managed services, with new engagements anticipated in Japan, Malaysia, and other regions. The Japanese and Asian markets remain key areas of growth.

To expedite growth, Fidel is focusing on technical partnerships (e.g., Cisco, Infor Syteline, E2E networks) and geographical partnerships (e.g., US, EMEA). The company also sees a trend in multilingual solutions for government and PSU-related work, aligning its sales efforts accordingly.

Training engineers in Japanese language and AI, as well as enterprise solutions, continues to be a priority. This initiative aims to address the skillset shortage and demographic challenges

in Japan. Continued investment in building the sales engine, enhancing digital marketing presence and branding, and investing in infrastructure and tools to improve efficiency are also key focus areas.

Fidel remains active in global LangTech and technology events, showcasing its thought leadership. The company's expanded digital presence through regular newsletters, blogs, articles, and forums has also resulted in increased leads, further driving its growth prospects.



## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

**To the Members of  
Fidel Softech Limited  
Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Fidel Softech Limited ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss, Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, and its profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Revenue recognition and Transactions with related parties**

##### **(Refer note 19 and 29 of the accompanying financial statements)**

The Company has various streams of revenue with multiple types of customer contracts characterized by a large volume of transactions. Revenue recognition involves certain key judgments relating to identification of contracts with customers, determination of transaction price, achievement of milestones and completion of contracts.

Due to multiple types of revenue contracts with large volume of transactions and judgment required by the management this matter is considered as a key audit matter. Further, revenue from transactions with related parties comprises around 34% of revenues in FY 2023-24.

Receivables and loans to related parties comprise around 24 % of total assets as on 31 March 2024.

We identified revenue recognition and transactions with related parties as a key audit matter.

#### **Our Audit Procedures included the following:**

- Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. We selected samples from various types of customer contracts and tested the occurrence, completeness and measurement of those transactions by inspecting the underlying documents.
- Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized also inspected relevant ledgers, purchase orders, agreements and other information that indicate the existence of related party relationships or transactions.
- Evaluated the design and tested operating effectiveness of the relevant internal financial controls to identify and disclose

revenue of related parties and ensuring compliance with statutory requirements, assessing recoverability of the amount due from the related parties.

- Evaluated the completeness, adequacy and appropriateness of disclosures made in the financial statements of revenue (including from related parties) in accordance with the requirements of applicable AS.
- Tested recoverability of loans, receivables and investments in related parties including management's basis of considering such amounts recoverable and checking the repayment of such balances over the year.
- Obtained and read the personal guarantee provided by promoters of the Company in relation to loans and receivables from related party namely LinguaSol Private Limited.

## **Information Other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including annexures thereto, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibility of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these the financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. A statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph h (vi) below on reporting under Rule 11(g).
  - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid the financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors for the year ended 31st March 2024 taken on record by the Board of Directors, none of the directors are disqualified for the year ended 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion

on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed pending litigations which may have an impact on its financial position. (Refer Note 38 to the financial statements)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 40 to the financial statements)
  - iii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 39 to the financial statements)
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Note 39 to the financial statements)
  - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 in Notes to the Accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 in Notes to the Accounts), no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - c. Based on audit procedures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The Company has declared and paid dividend during the year in compliance of Section 123 of the Companies Act 2013. (Refer Note 42 to the financial statements)
  - vi. Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that the audit trail feature of Tally Prime (EL) software used by the Company to maintain accounting records did not operate for a period of initial 12 days for the reporting period.  
  
Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

**Anand Jog**

Partner

Membership No.: 108177

UDIN: 24108177BKAKJC4142

Pune, May 23, 2024

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

The annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March 2024

We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and material discrepancies were not noticed during such verification.
- (c) The Company does not hold any immovable properties. Accordingly, Clause 3(i) (c) of the Order regarding title deeds of immovable properties is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (PPE) & intangible assets during the year. Accordingly, Clause 3(i) (d) of the Order regarding Revaluation of PPE and intangible assets is not applicable.
- (e) According to the information, explanations given and represented to us by the management of company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company is a service company, primarily engaged in content localization services, manpower staffing services and other related services. Accordingly, the Company does not hold any inventory.
- Also the Company has been sanctioned working capital limits of Rs 1 Crore which is less than limit prescribed of Rs. five crores under sub-clause 3(ii)(b). Hence, reporting under paragraph 3 (ii) of the Order is not applicable.
- (iii) During the year, the Company has made investments in Fixed Deposit with Scheduled Bank. According to the information and explanations provided to us, such investments are not prejudicial to the Company’s interest.
- The Company has granted unsecured loans to Company, namely LinguaSol Private Limited (Amount outstanding inclusive of Interest as on March 31, 2024 is Rs. 3,89,60,324), which is a party covered in the register maintained under Section 189 of the Companies Act.
- a. In absence of formal agreement for the loans given, we are unable to comment whether or not the terms and conditions of grant of such loans are prejudicial to the Company’s interest.
- b. During FY 21-22, schedule of repayment of principal and payment of interest has been stipulated. Accordingly, Repayment of principal amount of loans and receipts of interest are regular during the year except for repayment of Rs.37.5 Lakhs which were due on 31.03.2024.
- c. No loans or advances in the nature of loan granted which has fallen due during the year, have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- (iv) In our opinion and according to the information and explanations given to us:
- a. In respect of loans, made investments or given guarantees which are covered by the provisions of Section 185 of the Companies Act, 2013 have been complied with.
- b. In respect of other loans and investments made by the Company, provisions of section 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- As informed and represented to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunals. Accordingly, reporting under paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the products and services rendered of the company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods &

Services Tax, Employees' State Insurance, Cess and any other material statutory dues have generally been deposited regularly during the year by the Company with appropriate authorities, though there have been slight delays in few cases.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable, other than dues of Rs. 8,553/- towards Employees State Insurance and Rs. 617/- towards Employee's Provident Fund.
- There are no dues on account of income tax, goods and services tax and any other statutory dues as may be applicable, that have not been deposited on account of any dispute as on 31st March 2024.
- (viii) According to the information and explanations given to us and as represented by management, we have not come across any transactions, not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) Based on representation given by the management of the Company and according to the information and explanations given to us-
- The Company has not defaulted in the repayment of loans or other borrowing or in the payment of interest thereon to any lender.
  - The Company has not been declared willful defaulter by any bank or financial institute or government or any government authority.
  - Company has not obtained any money by way of term loan during the year. Accordingly reporting under paragraph 3(ix)(c) is not applicable.
  - On an overall examination of the financial statements of the Company, we report that the Company has not used funds raised on short term basis for long term purposes.
  - The Company does not have any subsidiary, associates & joint venture during the year. Accordingly reporting under paragraph 3(ix)(e) and 3 (ix) (f) is not applicable.
- (x) In our opinion and according to the information and explanations given to us:
- Moneys raised by way of initial public offer of the equity shares of the Company during the FY 22-23 , have been, prima facie, applied by the Company during the year for the purposes for which they were raised. The unutilized portion has been invested in debt mutual funds and fixed deposits with scheduled bank.
  - The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi) Based upon the audit procedures performed for the purpose of reporting upon the true and fair view of the financial statements, to the best of our knowledge and according to the information and explanations given to us:
- No fraud by the Company or any fraud on the Company has been noticed or reported during the period, nor have we been informed of any such case by the Management.
  - No report under Section 143(12) of the Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government has been filed during the year.
  - No whistle-blower complaints have been received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us,
- The Company's internal audit system is commensurate with the size and nature of its business.
  - Reports submitted by the internal auditor during the year have been considered during the course of our audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable.



- (xvi) In our opinion and according to the information and explanations given to us
- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
  - b. The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
  - c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable.
  - d. The Group does not have any CIC. Accordingly, reporting under paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred any cash loss during the financial year ended on 31<sup>st</sup> March 2024 and the immediately preceding financial year. Accordingly, reporting under paragraph 3(xvii) of the Order is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under paragraph 3(xviii) of the Order is not applicable.
- (xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us:
- a. In respect of other than ongoing projects, there is no unspent amount that would be required to be transferred to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to section 135(5) of the said Act. Accordingly reporting under paragraph 3(xx) of the Order is not applicable.
  - b. There are no unspent amounts with respect to ongoing projects that would be required to be transferred to a special account in compliance of provisions of Section 135(6) of the Act.
- (xxi) In our opinion and according to the information and explanations given to us, the Company does not have any subsidiaries, associates and joint ventures as on 31<sup>st</sup> March 2024 hence the Company does not require to prepare Consolidated Financial Statements. Accordingly reporting under paragraph 3(xxi) of the Order is not applicable.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

**Anand Jog**

Partner

Membership No.: 108177

UDIN: 24108177BKAKJC4142

Pune, May 23, 2024

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

The annexure as referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors’ Report to the members of Fidel Softech Limited on the Financial Statements of even date

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Fidel Softech Limited (“the Company”) as of 31<sup>st</sup> March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

**Anand Jog**

Partner

Membership No.: 108177

UDIN: 24108177BKAKJC4142

Pune, May 23, 2024

# 19<sup>th</sup> Annual Report

## Balance Sheet as at 31 March 2024

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3	1,375.06	1,375.06
Reserves and surplus	4	2,374.75	1,865.07
		<u>3,749.81</u>	<u>3,240.13</u>
<b>Non-current liabilities</b>			
Long Term Provisions	5	170.33	163.85
		<u>170.33</u>	<u>163.85</u>
<b>Current liabilities</b>			
<u>Trade payables</u>			
Total outstanding dues of micro enterprises and small enterprises; and	6	6.07	0.09
Total outstanding dues to Creditors other than Micro and Small Enterprises		160.16	127.35
Other current liabilities	7	286.19	183.16
Short Term provisions	8	29.64	33.89
		<u>482.06</u>	<u>344.49</u>
<b>TOTAL</b>		<u><b>4,402.20</b></u>	<u><b>3,748.47</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment and Intangible assets			
Property, Plant and Equipment	9	12.76	27.85
Intangible Assets	9	5.42	3.66
Deferred tax assets (net)	10	59.43	60.75
Non Current Investments	11	-	0.15
Long term loans and advances	12	255.53	359.63
Other Non Current Assets	13	327.58	98.98
		<u>660.72</u>	<u>551.01</u>
<b>Current assets</b>			
Current investments	14	1,567.32	1,416.22
Trade receivables	15	1,205.14	975.56
Cash and bank balances	16	352.26	373.87
Short-term loans and advances	17	568.93	398.48
Other current assets	18	47.83	33.33
		<u>3,741.48</u>	<u>3,197.46</u>
<b>Total</b>		<u><b>4,402.20</b></u>	<u><b>3,748.47</b></u>

Summary of Material Accounting Policies 2

Notes to the Financial Statements 3-50

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Kirtane & Pandit LLP**  
Chartered Accountants  
FRN - 105215W/ W100057

**Anand Jog**  
Partner  
Membership No.: 108177  
Place: Pune  
Date: May 23, 2024

For and on behalf of the Board of Directors of  
**Fidel Softech Limited**  
CIN: L72200PN2004PLC020061

**Sunil Kulkarni**  
Chairman and Executive Director  
DIN: 00752937  
Place: Pune  
Date: May 23, 2024

**Mandar Inamdar**  
Chief Financial Officer  
Place: Pune  
Date: May 23, 2024

**Prachi Kulkarni**  
Managing Director  
DIN: 03618459  
Place: Pune  
Date: May 23, 2024

**Sneha Ratnaparkhi**  
Company Secretary  
ICSI M.No. : A42657  
Place: Pune  
Date: May 23, 2024

**Statement of Profit and Loss for the year ended 31 March 2024**

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March 2024	Year Ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	19	4,009.12	3,337.10
Other income	20	93.89	86.85
<b>Total Income</b>		<b>4,103.01</b>	<b>3,423.95</b>
<b>Expenses</b>			
Cost of Services	21	1,179.48	898.95
Employee benefits expense	22	1,699.74	1,492.98
Finance costs	23	-	2.97
Depreciation and amortization expense	9	21.77	26.94
Other expenses	24	399.89	287.23
<b>Total expenses</b>		<b>3,300.88</b>	<b>2,709.08</b>
Profit before exceptional items and tax		<b>802.13</b>	714.87
Exceptional items:		-	-
Profit before tax		<b>802.13</b>	714.87
<b>Tax expense</b>			
Current tax		199.54	196.72
Short/ (Excess) provision of earlier years (net)		(4.67)	(1.07)
Deferred tax		1.32	(19.45)
Profit for the year		<b>605.94</b>	<b>538.67</b>
Earnings per share (Face value of ₹10 each)			
Basic and diluted (₹)	25	4.41	4.13
Summary of significant accounting policies	2		
Notes to the financial statements	3-50		

The notes referred to above form an integral part of the financial statements  
As per our report of even date attached

For **Kirtane & Pandit LLP**  
Chartered Accountants  
FRN - 105215W/ W100057

**Anand Jog**  
Partner  
Membership No.: 108177  
Place: Pune  
Date: May 23, 2024

For and on behalf of the Board of Directors of  
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DIN: 00752937  
Place: Pune  
Date: May 23, 2024

**Mandar Inamdar**  
Chief Financial Officer  
Place: Pune  
Date: May 23, 2024

**Prachi Kulkarni**  
Managing Director  
DIN: 03618459  
Place: Pune  
Date: May 23, 2024

**Sneha Ratnaparkhi**  
Company Secretary  
ICSI M.No. : A42657  
Place: Pune  
Date: May 23, 2024

# 19<sup>th</sup> Annual Report

## Cash Flow statement for the year ended 31 March 2024

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flow from operating activities:</b>		
Profit before tax	802.13	714.87
Adjustments for:	-	-
Depreciation and amortisation expenses	21.77	26.94
Interest income	(55.24)	(51.66)
Loss/(profit) on assets sold ( net)	(0.09)	-
Loss / (profit) on sale of investments	(28.36)	(25.07)
Finance cost	-	2.97
Bad Debt ( Inclusive of Provision for Doubtful Debt)	15.54	16.44
Sundry Balances Written back	(4.83)	(3.28)
Excess Provision Written back	(0.54)	-
Impairment Loss on Investment	0.15	-
Unrealised Foreign Exchange (Gain)/Loss (net)	11.89	(1.62)
Income from Dividend on Mutual Funds	(1.40)	-
	<b>(41.09)</b>	<b>(35.28)</b>
<b>Operating (loss)/profit before working capital changes</b>	<b>761.04</b>	<b>679.60</b>
<b>Adjustment for changes in working capital:</b>		
Decrease/(Increase) in Trade receivables	(258.77)	(385.59)
Decrease/(Increase) in Short-term loans and advances	(122.30)	(168.07)
Decrease/(Increase) in Other current assets	(4.08)	26.80
Increase/(Decrease) in Long Term Provisions	6.48	49.59
Increase/(Decrease) in Trade payables	45.36	39.07
Increase/(Decrease) in Other current liabilities	103.57	22.14
Increase/(Decrease) in Short-term provisions	(4.24)	12.32
Cash (used in) operations	527.07	275.85
Income tax paid (Net of Refunds & Interest thereon)	(236.96)	(96.03)
<b>Net cash (used in) operating activities (A)</b>	<b>290.11</b>	<b>179.82</b>
<b>Cash flow from investing activities:</b>		
Purchase of tangible fixed assets	(8.85)	(44.12)
Sale of Fixed Assets	0.48	-
Interest received on bank deposits	27.48	13.23
Proceeds from sale/(purchase) of investments (net)	(151.11)	(1,217.10)
Proceeds from sale/( purchase) of Non Current Deposits	(228.61)	(51.36)
(Increase)/ Decrease in Current Deposits	204.39	(32.37)
(Increase)/ Decrease in Loans given	98.03	115.32
Interest received on intercorporate loans	17.34	38.53
Profit earned on sale of investments	28.36	25.07
Income from dividend on Mutual Funds	1.40	-
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(11.08)</b>	<b>(1,152.78)</b>

(Contd.)

**Cash Flow statement for the year ended 31 March 2024 (Contd.)**

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flow from financing activities:</b>		
Increase/(Repayment) of borrowings	-	(162.00)
Finance Cost	-	(2.97)
Proceed from issue of equity shares	-	1,349.76
Share Issue expenses	-	(136.49)
Dividend Paid	<b>(96.25)</b>	-
Net cash (used in) / generated from financing activities (C)	<b>(96.25)</b>	1,048.30
<b>Net (decrease) / increase in cash and cash equivalents (D=A+B+C)</b>	<b>182.78</b>	75.34
<b>Cash and cash equivalents:</b>		
At the beginning of the year (refer note 16 (A) for detailed breakup)	<b>116.36</b>	41.02
At the end of the year (refer note 16 (A) for detailed breakup)	<b>299.14</b>	116.36
<b>Cash &amp; Cash equivalents breakup:</b>		
Cash on hand	<b>0.34</b>	0.09
Balances with banks	<b>298.80</b>	116.27

The above Statement of Cash flows has been prepared under the 'Indirect Method' as set out in AS3, 'Cash Flow Statements'.  
Previous Year figures have been regrouped and rearranged wherever necessary to make them comparable.

The notes referred to above form an integral part of the financial statements  
As per our report of even date attached

For **Kirtane & Pandit LLP**  
Chartered Accountants  
FRN - 105215W/ W100057

**Anand Jog**  
Partner  
Membership No.: 108177  
Place: Pune  
Date: May 23, 2024

For and on behalf of the Board of Directors of  
**Fidel Softech Limited**  
CIN: L72200PN2004PLC020061

**Sunil Kulkarni**  
Chairman and Executive Director  
DIN: 00752937  
Place: Pune  
Date: May 23, 2024

**Mandar Inamdar**  
Chief Financial Officer  
Place: Pune  
Date: May 23, 2024

**Prachi Kulkarni**  
Managing Director  
DIN: 03618459  
Place: Pune  
Date: May 23, 2024

**Sneha Ratnaparkhi**  
Company Secretary  
ICSI M.No. : A42657  
Place: Pune  
Date: May 23, 2024

## Notes to the financial statements (continued)

### 1. Corporate Information

Fidel Softech Private Limited was incorporated on 24<sup>th</sup> December 2004. It is classified as Non-govt company and is registered at Registrar of Companies, Pune. The company is involved in implementing innovative technology solutions & services with local language delivery & support. It specializes in Language engineering, Enterprise product services & cloud infrastructure services. Fidel Softech Private Limited was converted to Public Limited Company on April 13, 2022 thu, now named as Fidel Softech Limited. It was listed on SME Platform of National Stock Exchange of India Ltd. (NSE EMERGE) on 10<sup>th</sup> June 2022.

### 2. Significant Accounting Policies

#### a) Basis of preparation

- i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

#### b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### c) (i) Property, Plant and Equipment

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

#### (ii) Depreciation

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life. Property, Plant and Equipment are eliminated from the financial statements on disposal or when no further benefits are expected from their use and disposal.

#### d) (i) Intangible Fixed Assets

Intangible fixed assets that are acquired by the Company i.e. Software are measured initially at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment loss, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Product development costs are recognized as intangible fixed assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate probable future economic benefits.

#### (ii) Amortization

Amortization method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from the previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.



**Notes to the financial statements (continued)**

e) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

f) Revenue Recognition

1. Revenue from Localisation and Consulting projects:

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue with respect to time and-material contracts is recognized over the period of time as the related services are performed.

Revenue with respect to fixed price contracts where performance obligation is transferred over time and where there is no uncertainty as to measurability or collection of consideration is recognized in accordance with the completion of milestones defined in customer contracts or based on proportionate performance method. In case of short term contracts, such revenue is recognised using completed contract method.

2. Interest Income

Interest Income is recognised on time proportion basis taking into account the amounts invested and the rate of interest.

g) Foreign currency transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

h) (i) Employee benefits

1) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

2) Post Employment Benefits

(i) Defined Contribution Plans: The Company's state governed provident fund scheme is defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service

(ii) Defined Benefit Plans: The employees' have gratuity scheme in accordance with the Payment of Gratuity Act, 1972 and is a defined benefit plan. The present value of the obligation under such defined benefit

## Notes to the financial statements (continued)

plans is determined based on actuarial valuation carried as at Balance Sheet date using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date having maturity periods approximating to the terms of related obligations. Actuarial gain and losses are recognized immediately in the profit & loss account.

### 3) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in note above.

### h) (ii) Employee benefits- Stock appreciation Rights plan

The Company has issued Stock Appreciation Rights ('SARs') to some employees vide Stock Appreciation Rights Plan in April 2018

Expenses pertaining to SARs is recognised on time-proportion basis from grant date to vesting date based upon specified service conditions set out in the company's SAR plan

The difference between grant price and the fair value of the equity shares on the reporting date is recognised as expense in the profit and loss account with corresponding rise in the liability being a cash settled stock appreciation rights plan

The company re-estimates the fair value of the liability at the end of each reporting period and will also do so at the date of settlement, with any changes in fair value recognised in profit or loss for the period as per principles stated in guidance note issued by Institute of Chartered Accountants of India namely "Accounting for Share Based Payments (Revised 2020)"

The expense and corresponding liability recognised in the financial statements is based on the share valuation from a registered valuer using Discounted Cash flow technique

### j) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### k) (i) Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss over the lease term.

### (ii) Finance Leases

The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as Fixed Assets with corresponding amount disclosed as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss Statement.

**Notes to the financial statements (continued)**

l) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of the acquisition are classified as current investments. All other investments are classified as long-term investments. However, that portion of long-term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current investment' as current portion of long term investments in consonance with the current/non-current classification scheme of Schedule II of Act. Long-term investments are valued at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are valued at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reduction in the carrying amount and any reversal of such reduction is charged or credited to the Statement of Profit and Loss.

m) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

o) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p) Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

q) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. As a result, current assets comprise elements that are expected to be realised within 12 months after the reporting date and current liabilities comprise elements that are due for settlement within 12 months after the reporting date.

r) Segment Reporting:

The Company is operating only in one segment, namely Language Technology Services and Consultancy Services. As a part of secondary reporting geographical segments are considered based on the location of customer. The Company operates in two geographical segments viz in India and outside India.

The accounting policies adopted for segment reporting are in line with the Accounting Standard 17 with the following additional policies for segment reporting:

I) Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment

II) Segment assets include those directly identifiable with the respective segments based on location of assets

Unallocable assets represent the assets that relate to the Company as a whole and not allocable to any segment

Unallocable assets mainly comprise of tax assets, investments, loans & advances, etc.

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## Notes to the financial statements (continued)

### 3. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of face value ₹10/- each	20,000,000	2,000.00	20,000,000	2,000.00
	20,000,000	2,000.00	20,000,000	2,000.00
Issued, Subscribed and Paid up				
Equity shares of face value of ₹10/- each fully paid up	13,750,560	1,375.06	13,750,560.00	1,375.06
<b>Total</b>	<b>13,750,560</b>	<b>1,375.06</b>	<b>13,750,560.00</b>	<b>1,375.06</b>

#### 3.1 Reconciliation of shares outstanding

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the commencement and at the end of the year	13,750,560	1,375.06	10,102,560.00	1,010.26
Bonus Shares Issued during the year	-	-	-	-
Equity Shares Issued during the year	-	-	3,648,000.00	364.80
At the end of the year	<b>13,750,560</b>	<b>1,375.06</b>	13,750,560.00	1,375.06

#### 3.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity share holder

a) On show of hands, every member present in person shall have one vote;

b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to whole or any part of the assets of the company whether they shall consist of the property of the same kind or not.

#### 3.3 Particulars of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Number of shares	% held	Number of shares	% held
Equity Shares				
Sunil Sudhakar Kulkarni	7,599,996	55.27%	7,599,996.00	55.27%
Prachi Sunil Kulkarni	2,405,000	17.49%	2,400,000.00	17.45%

#### Equity share movement during five years preceeding 31<sup>st</sup> March 2024

##### A) Equity shares issued as bonus in FY2021-22

The Company allotted 98,49,996 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹ 9,84,99,960, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

##### B) Equity shares after listing on National Stock Exchange in FY2022-23

The Company was listed on National Stock Exchange (NSE) during FY 2022-23 and issued 36,48,000 equity shares amounting to ₹ 3,64,80,000.

**Notes to the financial statements (continued)**

3.4 Shares held by promoters at the end of the year

Name of the promoter	As at 31st March 2024			As at 31 March 2023		
	Number of shares	% held	% change in shareholding	Number of shares	% held	% change in shareholding
Sunil Sudhakar Kulkarni	7,599,996	55.27%	0.00%	7,599,996	55.27%	-20.00%
Prachi Sunil Kulkarni	2,405,000	17.49%	0.04%	2,400,000	17.45%	-6.00%

**4. Reserves and surplus**

(₹ in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Capital reserve		
At the commencement of the year	-	-
Capital Reserve on acquisition of undertaking under business transfer agreement	-	-
	-	-
Balance in the Statement of Profit and Loss		
At the commencement of the year	1,865.07	477.93
Add: Profit/Loss for the year	605.94	538.67
Less: Bonus issued during the year	-	-
Add: Share premium	-	984.96
Less: Share Issue expenses	-	-136.49
Less: Dividend Paid during the year	-96.25	-
<b>Balance in the statement of profit and loss</b>	<b>2,374.75</b>	<b>1,865.07</b>
<b>Total</b>	<b>2,374.75</b>	<b>1,865.07</b>

**5. Long term provisions**

(₹ in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Provision for employee benefits		
Compensated absences (Refer note 30)	34.81042	33.65373
Gratuity (Refer note 30)	135.52105	130.19692
<b>Total</b>	<b>170.33</b>	<b>163.85</b>

**6. Trade payables**

(₹ in lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Total Outstanding dues to Micro and Small Enterprises	6.07	0.09
Total Outstanding dues to Creditors other than Micro and Small Enterprises	160.16	127.35
<b>Total</b>	<b>166.22</b>	<b>127.44</b>

\* Trade Payables includes ₹ 51,93,752 Payable to related parties ( FY 22-23 : NIL)

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## Notes to the financial statements (continued)

(₹ in lakhs)

### Trade Payable Aging Schedule as at 31 March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31 <sup>st</sup> March 2024				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	6.07	-	-	-	-	6.07
Others	96.46	62.22	0.66	0.71	0.10	160.16
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-	-
<b>Total</b>	<b>102.52</b>	<b>62.22</b>	<b>0.66</b>	<b>0.71</b>	<b>0.10</b>	<b>166.22</b>

### Trade Payable Aging Schedule as at 31 March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment as on 31 <sup>st</sup> March 2024				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	0.09	-	-	-	0.09
Others	59.96	64.75	2.52	0.02	0.10	127.35
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-	-
<b>Total</b>	<b>59.96</b>	<b>64.84</b>	<b>2.52</b>	<b>0.02</b>	<b>0.10</b>	<b>127.44</b>

Compliance with Micro, Small and Medium Enterprises Development Act, 2006

The Company had requested confirmation from all the creditors regarding their status under the Micro, Small, and Medium Enterprises Development Act, 2006. As per the replies received from the creditors, provision for interest that may be payable (in accordance with the provisions of the Micro, Small, and Medium Enterprises Development Act, 2006) on delayed payments to its micro or small suppliers is done.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6.07	0.09
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.00
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	0.03
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.03	0.04
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Notes to the financial statements (continued)**

**7. Other current liabilities**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Statutory Dues Payable	37.98	26.50
Employee Dues Payable	130.77	89.75
Dividend Payable	0.59	-
Advance from Customers	0.94	1.46
Interest Payable for MSME Vendors	0.03	0.04
Provision for other expenses	114.90	65.41
Other Liabilities	0.99	-
<b>Total</b>	<b>286.19</b>	<b>183.16</b>

**8. Short-term provisions**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Provision for employee benefits:	-	-
Compensated absences (Refer note 30)	8.13	6.14
Gratuity (Refer note 30)	21.52	17.82
	-	-
<b>Others:</b>	-	-
Provision for income tax (Net of Advance tax)	-	9.93
<b>Total</b>	<b>29.64</b>	<b>33.89</b>

## Notes to the financial statements (continued)

### 9. Property, Plant and Equipment and Intangible assets

Sr. No.	Particulars	Gross Block			Accumulated Depreciation (Depreciation as per Written Down Value method)				Net Block			
		Gross carrying Value as on 1 April 2023	Additions/ Adjustments	Deletions/ Transfer/ Adjustments	Gross carrying Value as on 31 <sup>st</sup> March 2024	Balance as at 1 April 2023	Depreciation charge for the year	Impairment loss	Deletions/ Transfer/ Adjustment	Balance as at 31 <sup>st</sup> March 2024	Net carrying value as at 31 March 2024	Net carrying Value as at 31 March 2023
(1)	<b>Property, Plant and Equipment:</b>											
	Computers & Peripherals	91.54	1.72	7.97	85.29	65.07	16.17	-	7.57	73.67	11.62	26.47
	Computers on Lease	33.79	-	-	33.79	33.79	-	-	-	33.79	-	-
	Office & Other Equipments	4.27	0.43	-	4.70	2.89	0.67	-	-	3.56	1.14	1.37
(2)	<b>Intangible assets:</b>											
	Software - Licences	18.69	6.70	-	25.39	15.04	4.93	-	-	19.97	5.42	3.66
	<b>Total</b>	<b>148.29</b>	<b>8.85</b>	<b>7.97</b>	<b>149.17</b>	<b>116.79</b>	<b>21.77</b>	<b>-</b>	<b>7.57</b>	<b>130.99</b>	<b>18.18</b>	<b>31.50</b>

Sr. No.	Particulars	Gross Block			Accumulated Depreciation (Depreciation as per Written Down Value method)				Net Block			
		Gross carrying Value as on 1 April 2022	Additions/ Adjustments	Deletions/ Transfer/ Adjustments	Gross carrying Value as on 31 <sup>st</sup> March 2023	Balance as at 1 April 2022	Depreciation charge for the year	Impairment loss	Deletions/ Transfer/ Adjustment	Balance as at 31 <sup>st</sup> March 2023	Net carrying value as at 31 March 2023	Net carrying Value as at 31 March 2022
(1)	<b>Property, Plant and Equipment:</b>											
	Computers & Peripherals	55.05	36.49	-	91.54	41.86	23.21	-	-	65.07	26.47	13.19
	Computers on Lease	33.79	-	-	33.79	33.79	-	-	-	33.79	0.00	0.00
	Office & Other Equipments	3.08	1.18	-	4.27	2.55	0.34	-	-	2.89	1.37	0.53
(2)	<b>Intangible assets:</b>											
	Software - Licences	12.25	6.44	-	18.69	11.63	2.79	0.61	-	15.04	3.66	0.61
	<b>Total</b>	<b>104.17</b>	<b>44.12</b>	<b>-</b>	<b>148.29</b>	<b>89.84</b>	<b>26.33</b>	<b>0.61</b>	<b>-</b>	<b>116.79</b>	<b>31.50</b>	<b>14.33</b>

#### Notes:

- The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and no proceeding has been initiated or is pending against the Company for holding any benami property.
- Company has not revalued any property, plant and equipment as well as intangible assets during the year.
- Impairment of software licence has been made due to reassessment of residual value.



**Notes to the financial statements (continued)**

**10. Deferred tax Liabilities/Assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred Tax Asset on :</b>		
Depreciation	7.09	7.98
Provision for Employee benefits	50.33	47.27
Other Disallowances	2.01	5.50
<b>Deferred tax (Liability)/Asset [Net]</b>	<b>59.43</b>	<b>60.75</b>

**11. Non Current Investments**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non Current Investments</b>		
Investments in Equity Instruments (unquoted)		
LinguaSol Private Limited (1500 shares of face value ₹10 each) (Refer Note 33)	0.15	0.15
Less : Impairment of Investment	(0.15)	-
<b>Total</b>	<b>-</b>	<b>0.15</b>

Networth of Linguasol Pvt. Ltd. is eroded due to which Impairment loss for equity investment has been recorded at 31 Mar 24. The Company has complied with the number of Layers prescribed under clause (87) of Sec 2 of the Act read with The Companies (Restriction on number of layers) Rules, 2017.

**12. Long Term Loans and Advances**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured and considered good unless otherwise stated)		
Loan to LinguaSol Pvt.Ltd. (Refer Note 40)	255.53	359.63
<b>Total</b>	<b>255.53</b>	<b>359.63</b>

**13. Other Non Current Assets**

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured, considered good:		
Bank deposits more than 12 months:		
Other Deposits in Bank	282.49	52.14
Other Deposits	45.10	46.84
<b>Total</b>	<b>327.58</b>	<b>98.98</b>

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## Notes to the financial statements (continued)

### 14. Current Investments

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current Investments		
Mutual Funds (Refer Note 33)	1,567.32	1,416.22
<b>Total</b>	<b>1,567.32</b>	<b>1,416.22</b>

### 15. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Undisputed -		
Considered good	1,205.14	980.98
Considered doubtful	7.87	0.97
Less: Provision for doubtful debts	(7.87)	(6.39)
<b>Disputed -</b>		
Considered good	-	-
Considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>1,205.14</b>	<b>975.56</b>

\* Trade Receivables includes ₹ 5,17,25,827 Receivables from related parties ( FY 22-23 : ₹ 4,73,59,572)

### Trade Receivable Aging Schedule as at 31 March 2024

(₹ in lakhs)

Trade Receivable	Unbilled Receivables	Not Due	Outstanding for followign periods from due date of Payment					Total
			Less than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>Considered Good</b>								
Undisputed	7.92	391.73	700.90	5.37	73.59	22.08	11.46	1,205.14
Disputed	-	-	-	-	-	-	-	-
<b>Sub Total (i)</b>	<b>7.92</b>	<b>391.73</b>	<b>700.90</b>	<b>5.37</b>	<b>73.59</b>	<b>22.08</b>	<b>11.46</b>	<b>1,205.14</b>
<b>Considered doubtful</b>								
Undisputed	-	-	-	6.27	1.59	0.01	-	7.87
Disputed	-	-	-	-	-	-	-	-
<b>Sub Total (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.27</b>	<b>1.59</b>	<b>0.01</b>	<b>-</b>	<b>7.87</b>
Less: Provision for Doubtful Debts	-	-	-	(6.27)	(1.59)	(0.01)	-	(7.87)
<b>Sub Total (iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.27)</b>	<b>(1.59)</b>	<b>(0.01)</b>	<b>-</b>	<b>(7.87)</b>
<b>Total (i+ii+iii)</b>		<b>391.73</b>	<b>700.90</b>	<b>5.37</b>	<b>73.59</b>	<b>22.08</b>	<b>11.46</b>	<b>1,205.14</b>

Notes to the financial statements (continued)

Trade Receivable Aging Schedule as at 31 March 2023

(₹ in lakhs)

Trade Receivable	Unbilled Receivables	Not Due	Outstanding for followign periods from due date of Payment					Total
			Less than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>Considered Good</b>								
Undisputed	30.85	295.85	540.77	76.25	40.42	21.96	5.73	980.98
Disputed	-	-	-	-	-	-	-	-
<b>Sub Total (i)</b>	<b>30.85</b>	<b>295.85</b>	<b>540.77</b>	<b>76.25</b>	<b>40.42</b>	<b>21.96</b>	<b>5.73</b>	<b>980.98</b>
<b>Considered doubtful</b>								
Undisputed	-	-	-	-	-	-	0.97	0.97
Disputed	-	-	-	-	-	-	-	-
<b>Sub Total (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>0.97</b>
Less: Provision for Doubtful Debts	-	-	-	-	(3.80)	(1.19)	(1.40)	(6.39)
<b>Sub Total (iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.80)</b>	<b>(1.19)</b>	<b>(1.40)</b>	<b>(6.39)</b>
<b>Total (i+ii+iii)</b>		<b>295.85</b>	<b>540.77</b>	<b>76.25</b>	<b>36.62</b>	<b>20.77</b>	<b>5.30</b>	<b>975.56</b>

16. Cash and bank balances

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Cash on hand	0.34	0.09
Balances with banks	-	-
-on current accounts	249.52	116.27
-bank deposits with remaining maturity less than three months	48.69	-
-Earmarked Balances with Bank : dividend accounts	0.59	-
<b>(A) Subtotal</b>	<b>299.14</b>	<b>116.36</b>
Other bank balances		
-bank deposits with remaining maturity more than three months and less than twelve months.	53.12	257.51
<b>(B) Subtotal</b>	<b>53.12</b>	<b>257.51</b>
<b>Total (A+B)</b>	<b>352.26</b>	<b>373.87</b>

Details of bank balances/deposits

Particulars	As at 31 March 2024	As at 31 March 2023
Bank balances available on demand/deposits with remaining maturity of 3 months or less included under 'Cash and cash equivalents'.	298.21	116.27
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'.	53.12	257.51
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	282.49	52.14
<b>Total</b>	<b>633.82</b>	<b>425.92</b>

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## Notes to the financial statements (continued)

### 17. Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Balance with Government Authorities	336.14	226.23
Prepaid expenses	25.26	17.00
Advance income tax and tax deducted at source (net of provisions)	42.09	-
Loan to LinguaSol Pvt.Ltd. (Refer Note 40) (Unsecured and considered good unless otherwise stated)	122.73	116.66
Other Deposits	42.71	38.59
<b>Total</b>	<b>568.93</b>	<b>398.48</b>

### 18. Other current assets

(₹ in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
Unbilled revenue	7.92	30.85
Advances to Employees *	5.97	0.73
Advances to Suppliers	21.77	-
Interest accrued on intercorporate loan to Linguasol	11.34	-
<b>Interest accrued on Fixed Deposit</b>	<b>0.82</b>	<b>1.74</b>
<b>Total</b>	<b>47.82</b>	<b>33.33</b>

Advance to Employees includes ₹ 5,31,112 related to director of the Company ( FY 22-23 : NIL)

### 19. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Domestic Sales of Services	162.87	247.27
Export Sales of Services	3,846.24	3,089.84
<b>Total</b>	<b>4,009.12</b>	<b>3,337.10</b>

**Notes to the financial statements (continued)**

**20. Other income**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on Deposits	26.56	13.13
Interest on Loan to Linguasol	28.68	38.53
Short Term Capital Gain on Sales of Mutual Funds	12.47	25.07
Miscellaneous Income	8.81	3.28
Interest Received on Income Tax Refund	-	6.84
Dividend income on Mutual Funds	1.40	-
Long Term Capital Gain on Sales of Mutual Funds	15.88	-
Profit on Sale of Asset	0.09	-
<b>Total</b>	<b>93.89</b>	<b>86.85</b>

**21. Cost of Services**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Broadband & Other Direct Expenses	29.61	30.63
Computer Rent	39.03	16.62
Office Rent	131.98	126.74
Professional Fees	978.86	724.96
<b>Total</b>	<b>1,179.48</b>	<b>898.95</b>

**22. Employee Benefit Expenses**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries, allowances and bonus	1,543.48	1,353.57
Salaries, allowances and bonus - Directors	72.00	70.53
Contribution to Provident and other Funds (also refer Note 30)	58.21	51.37
Staff welfare expenses	26.05	17.50
<b>Total</b>	<b>1,699.74</b>	<b>1,492.98</b>

**23. Finance Costs**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on loan	-	2.97
<b>Total</b>	<b>-</b>	<b>2.97</b>

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## Notes to the financial statements (continued)

### 24. Other expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Legal and professional fees	94.98	90.77
Internal Audit Fees	1.44	1.20
Director Sitting Fees	3.30	3.20
Travelling and Conveyance expenses	84.12	51.50
License Fees	21.61	20.73
Rates and taxes	5.37	1.51
Courier Charges	1.48	0.15
Membership and Subscription Charges	4.17	2.37
Bank Charges	8.27	9.57
Office Expenses	2.99	3.78
Miscellaneous Expenses	10.72	17.24
Impairment Loss on investment	0.15	-
Advertising and Marketing Expense	35.08	18.79
Payment to auditors	9.32	10.43
Printing and Stationery	3.23	1.66
Donation	-	2.50
Bad Debts	15.54	16.44
Interest on MSME	-	0.00
Prior Period Expense (Refer Note 35)	0.36	2.86
Foreign Exchange Gain and Loss	84.99	21.53
CSR Expenses	12.04	10.20
Telephone Expenses	0.73	0.79
<b>Total</b>	<b>399.89</b>	<b>287.23</b>

### 25 Earnings per share

(₹ in lakhs except EPS)

Particulars		Year Ended 31 March 2024	Year Ended 31 March 2023
Net profit for the year attributable to equity shareholders	A	605.94	538.67
Weighted average number of equity shares of face value of Rs 10 each outstanding during the year	B	1,37,50,560	1,30,50,944
Basic and Diluted profit per equity share of face value Rs 10 each (in INR)	(A/B)	4.41	4.13

**Notes to the financial statements (continued)**

**26 Auditors' remuneration**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
As auditor		
Statutory audit	5.70	4.80
Tax audit	1.20	1.00
For Other Services	2.00	2.75
GST consultation	-	1.65
Out of Pocket Expenses	0.42	0.23
<b>Total</b>	<b>9.32</b>	<b>10.43</b>

**27 Earnings in foreign currency (accrual basis)**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sale of Services		
- Underwriter Translation	2,243.40	1,909.23
- Software Professional Fees/Services	658.19	464.47
- Manpower Recruitment Services	944.66	716.14
- Commercial Training and Coaching	-	-
<b>Total</b>	<b>3,846.24</b>	<b>3,089.84</b>

**28 Expenses in foreign currency (accrual basis)**

(₹ in lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Professional Fees	507.25	405.20
Licence Fees	22.30	23.10
Membership and Sponsorship Fees	2.62	6.05
Travelling spend	5.23	3.66
Marketing spend	2.82	3.34
Others	7.21	2.73
<b>Total</b>	<b>547.44</b>	<b>444.08</b>

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## Notes to the financial statements (continued)

### 29 Related party disclosures

#### a) Key management personnel and persons exercising significant influence.

- 1 Prachi Kulkarni (Managing Director)
- 2 Sunil Kulkarni (Director)
- 3 Mandar Inamdar (Chief Financial Officer)
- 4 Sneha Ratnaparkhi (Company Secretary) w.e.f 15<sup>th</sup> December 2023
- 5 Neha Joshi (Company Secretary) till date 30<sup>th</sup> October 2023

#### b) Enterprises under Common Control

- 1 Fidel Technologies KK Japan
- 2 Fidel Consulting KK Japan
- 3 CoolPro International Private Limited
- 4 Linguanext Technologies Private Limited
- 5 LinguaSol Private Limited

#### c) Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
1	<b>Fidel Consulting KK</b> Export of Services	492.69	493.08
2	<b>Fidel Technologies KK</b> Export of Services Reimbursement (Paid/Payable)/Receivable ( net)	848.82 (165.09)	676.94 (5.07)
3	<b>LinguaSol Private Limited</b> Loan to LinguaSol Loan to LinguaSol - Repayment receipts Interest accrued during the year on loan Underwriter Translation & Manpower Recruitment Services Software Professional Services Office Rent income	- (112.50) 28.68 - - 1.50	- (150.00) 38.53 20.31 10.65 -
4	<b>CoolPro International Private Limited</b> Domestic Professional Services	4.73	12.39
5	<b>Sunil Kulkarni</b> Directors Remuneration Dividend Paid	36.00 53.20	36.00 -
6	<b>Prachi Kulkarni</b> Directors Remuneration Dividend Paid	36.00 16.82	34.53 -
7	<b>Mandar Inamdar</b> Remuneration	48.55	46.15
8	<b>Sneha Ratnaparkhi</b> Remuneration	3.04	-
9	<b>Neha Joshi</b> Remuneration	7.04	9.08
	<b>Total</b>	<b>1,299.47</b>	<b>1,222.59</b>



Notes to the financial statements (continued)

d) Amount due to/from related parties

(₹ in lakhs)

Sr. No.	Nature of transaction	As at 31 March 2024	As at 31 March 2023
		Amount	Amount
<b>1</b>	<b>Receivables (Net)</b>		
	Linguasol Private Limited		
	Loan to Linguasol (Receivable)	378.26	476.29
	Interest accrued on loan (Receivable)	11.34	-
	Software Professional Service, Underwriter Translation & Manpower Recruitment Services (Receivable)	97.97	112.63
	Fidel Consulting KK		
	Export of Sevices	70.69	70.43
	Fidel Technologies KK		
	Export of services	348.13	278.14
	Coolpro International Pvt Ltd		
	Software Professional Service (Receivable)	0.46	12.39
	Prachi Kulkarni		
	Advance Receivable	5.31	-
	Total Receivable	912.17	949.89
<b>2</b>	<b>Payable (Net)</b>		
	Remuneration Payable to Prachi Kulkarni	2.34	0.77
	Remuneration Payable to Sunil Kulkarni	2.34	2.24
	Reimbursement Payable to Sunil Kulkarni	7.27	-
	Remuneration Payable to Sneha Ratnaparkhi	0.68	-
	Remuneration Payable to Neha Joshi	-	0.82
	Remuneration Payable to Mandar Inamdar	2.20	2.37
	Trade Payable to Fidel Technologies KK Japan	51.94	-
	<b>Total Payable</b>	<b>66.75</b>	<b>6.20</b>

**30 Employee Benefits**

a) **Defined contribution plans**

The Company has recognized ₹ 55.93 Lakhs (2023: ₹ 48.58 Lakhs) towards provident fund, ₹ 0.11 Lakhs (2023: ₹ 0.09 Lakhs) towards labour welfare fund and ₹ 2.16Lakhs (2023: ₹ 2.69 Lakhs) towards employee state insurance in the Statement of Profit and Loss.

b) **Defined benefit plans**

Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company was required to provide post employment benefit to its employees in the form of gratuity.

The disclosures relating to actuarial assumptions in accordance with AS 15 (Revised) are provided below:

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## Notes to the financial statements (continued)

Particulars	31-Mar-24	31-Mar-23
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.30%
Rate of increase in compensation levels	15%	20%
Expected average remaining working lives of employees (in years)	4.85	4.90
Retirement Age	60 years	60 years
Withdrawal Rate		
Age upto 30 years	20%	20%
Age 31 - 40 years	20%	20%
Age 41 - 50 years	20%	20%
Age above 50 years	20%	20%

The plan has not been funded as on the valuation date.

Discount rate

The discount rate is based on the prevailing market yields on Government bonds as at the Balance Sheet date for the estimated terms of the obligations.

Salary escalation

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Methodology

Projected unit credit method (PUC) is used to assess the present value of obligation and the related current service cost and interest cost.

Table Showing Change in the Present Value of Projected Benefit Obligation	31-Mar-24	31-Mar-23
Present Value of Benefit Obligation at the Beginning of the Period	148.02	101.33
Interest Cost	10.71	6.88
Past Service Cost	-	-
Service cost Curtailment	35.33	20.96
Actuarial (Gains)/Losses on Obligations	(34.55)	24.89
Benefits Paid	(2.47)	(6.05)
Present Value of Benefit Obligation at the End of the Period	157.04	148.02

(₹ in lakhs)

Expenses Recognized in the Statement of Profit or Loss for Current Period	31-Mar-24	31-Mar-23
Current Service Cost	35.33	20.96
Net Interest Cost	10.71	6.88
Actuarial (Gains)/Losses	(34.55)	24.89
Past Service Cost	-	-
Expenses Recognized in the Statement of Profit or Loss	11.49	52.73

**Notes to the financial statements (continued)**

	(₹ in lakhs)	
<b>Balance Sheet Reconciliation</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Opening Net Liability	(148.02)	(101.33)
Expense Recognized in Statement of Profit or Loss	(11.49)	(52.73)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out (Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	2.47	6.05
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>(157.04)</b>	<b>(148.02)</b>

**Leave Encashment:**

<b>Data Summary</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Number of Employees	191	176
Total Salary (Leave Encashment)	51.95	34.88
Total Salary (Leave Availment)	158.39	119.89
Average Age	34.01	32.41
Average Past Service	3.49	3.34
<b>Total Leave Days</b>	<b>2,849</b>	<b>2,530</b>

	(₹ in lakhs)	
<b>Valuation Results</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Discontinuance Liability	31.05	23.01
Projected Benefit Obligation	42.94	39.79

	(₹ in lakhs)	
<b>Current &amp; Non-Current Liability</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Funding Status	<b>Unfunded</b>	Unfunded
Fund Balance	<b>N.A.</b>	N.A.
Current Liability **	<b>8.13</b>	6.14
Non-Current Liability	<b>34.81</b>	33.65

<b>Valuation Assumptions</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>(i) Financial Assumptions</b>		
Salary Escalation Rate		
For first year	<b>00.00% p.a.</b>	00.00% p.a.
For subsequent years	<b>15.00% p.a.</b>	20.00% p.a.
Discount Rate	<b>7.20% p.a.</b>	7.30% p.a.
	<b>(Indicative G.</b>	(Indicative G.
	<b>Bonds</b>	Bonds
	<b>referenced on</b>	referenced on
	<b>31-03-2024)</b>	<b>31-03-2023)</b>
<b>(ii) Demographic Assumptions</b>		
Mortality Rate	<b>Indian Assured</b>	Indian Assured
	<b>Lives Mortality</b>	Lives Mortality
	<b>(2012-14)</b>	(2012-14)
	<b>Ultimate</b>	Ultimate

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## Notes to the financial statements (continued)

### 31 Operating Lease

(₹ in lakhs)

Particulars	31 March 2024 Amount	31 March 2023 Amount
Lease payment debited to Statement of Profit & Loss (Net of GST)	171.01	143.36
Lease obligation in respect of non-cancellable leases is as follows:		
- Not later than one year	8.25	126.00
- Later than one year and Not Later than five years	-	-
- Later than five years	-	-

### 32 Foreign currency exposures outstanding at the year end

The following foreign currency receivables/payables balances are not covered by derivative instruments at the Balance Sheet date:

(Currency in Lakhs)

Particulars	Currency	Amount in foreign currency	Equivalent Amount in Indian Rupees	Amount in foreign currency	Equivalent Amount in Indian Rupees
		31-Mar-24	31-Mar-24	31-Mar-23	31-Mar-23
Trade Receivables	EUR	4.39	394.75	1.25	112.01
Trade Receivables	JPY	762.76	419.92	623.83	386.47
Trade Receivables	CNY	-	-	0.77	9.13
Trade Receivables	GBP	0.03	2.75	0.03	3.30
Trade Receivables	USD	2.13	177.82	3.21	263.50
Trade Payables	USD	0.45	37.77	0.65	53.01
Trade Payables	JPY	94.34	51.94	-	-
Trade Payables	CAD	0.04	2.49	-	-
Trade Payables	EUR	-	-	0.04	4.01

### 33 Investments

#### A) Investments in Equity Instruments

##### I) Unquoted

(₹ in lakhs)

Sr. No.	Particulars	No's.	Per Unit value	Value as per books of accounts	
				31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
1	Shares-LinguaSol Pvt. Ltd.	1,500	-	-	0.15

**Notes to the financial statements (continued)**

**B) Investments in Mutual Funds**

Quoted

Basis of Valuation: Cost or Net Realisable Value whichever is lower

(₹ in lakhs)

Sr. No.	Particulars	No of Units as on 31 <sup>st</sup> March 2024	Per Unit value (31 <sup>st</sup> March 2024) ₹	Market Value as on 31 <sup>st</sup> March 2024	Book Value as on 31 <sup>st</sup> March 2024	Market Value as on 31 <sup>st</sup> March 2023	Book Value as on 31 <sup>st</sup> March 2023
1	Kotak Balanced Advantage Fund Regular Plan Growth	452	4,839.90	21.89	21.22	20.76	15.00
2	Invesco India Growth Opportunities Fund Growth	-	-	-	-	3.99	3.20
3	Kotak Equity Opportunities Fund Regular Plan Growth (Erstwhile Kotak Opportunities Fund)	-	-	-	-	4.13	3.20
5	Dsp Mid Cap Fund Regular Plan Growth (Erstwhile Dsp Blackrock Small And Mid Cap )	-	-	-	-	3.56	3.20
6	Hdfc Ultra Short Term Fund Regular Plan Growth	-	-	-	-	31.29	30.00
7	Icici Prudential Multicap Fund Growth	-	-	-	-	4.07	3.20
8	Kotak ESG Opportunities Fund Regular Plan Growth	-	-	-	-	17.74	15.00
9	Axis Corporate Debt Fundgrowth (Erstwhile Axis Corporate Debt Opportunities )	460,180	15.40	70.85	62.99	68.89	62.99
10	ICICI Prudential Short Term Fund Growth Option (Erstwhile Icici Prudential Short Term )	475,676	54.44	258.94	229.99	258.63	229.99
11	Sbi Short Term Debt Fund Regular Plan Growth	273,829	29.05	79.56	68.00	78.07	68.00
12	ICICI Prudential All Seasons Bond Fund Growth (Erstwhile ICICI prudential long term )	450,259	33.31	150.00	135.08	147.73	135.08
13	ICICI Prudential Banking and PSU Debt Fund Growth	197	29.66	0.06	0.04	0.06	0.04
15	Aditya Birla Sun Life Savings Fund Growth	1,127	498.62	5.62	5.07	5.30	5.07
16	HDFC Corporate Bond Fund Regular Plan Normal Dividend (Erstwhile HDFC Corporate Bond Normal) - DP	116,629	17.76	20.71	20.00	32.21	20.00
17	"HSBC Short Duration Fund Regular Plan Growth (Erstwhile HSBC Short Term Bond Fund - Regular Plan - Growth"	466,856	23.94	111.77	100.00	109.71	100.00
18	Kotak Dynamic Bond Fund Regular Plan Growth (Erstwhile Kotak Flexi Debt Fund)	584,372	33.98	198.60	184.99	112.44	104.99
19	NIPPON INDIA Dynamic Bond Fund Growth Plan Growth Option	626,451	33.48	209.70	199.99	-	-
20	NIPPON INDIA Ultra Short Duration Fund Growth (Erstwhile NIPPON INDIA Liquid Cash )	2,832	3,690.41	104.50	100.00	-	-
21	NIPPON INDIA Short Term Fund - Growth Plan	146,193	47.65	69.66	64.78	182.50	169.99
22	HDFC Income Fund - Growth	277,601	52.76	146.47	129.99	148.21	129.99
23	Kotak Corporate Bond Fund Regular Plan Growth	3,160	3,399.86	107.45	95.45	103.54	95.45
24	DSP Bond Fund Retail Plan Growth	53,065	73.78	39.15	34.74	77.49	70.00
25	Aditya Birla Sun Life Banking and PSU Debt Fund Regular Plan Growth (Erstwhile Aditya Birla Sun Life Treasury Optimisier)	33,898	331.77	112.47	99.99	108.00	99.99
26	Sundaram Corporate Bond Fund - Regular - Growth	53,515	36.27	19.41	15.00	18.73	15.00
27	Kotak Low Duration Fund Regular Plan Growth	-	-	-	-	40.46	36.84
				1,726.80	1,567.32	1,577.51	1,416.22

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## Notes to the financial statements (continued)

### 34 Ratios

(Currency - Indian Rupees)

Ratios	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance*
Current Ratio	Current Assets	Current Liabilities	7.76	9.28	-16%	
Debt-Equity Ratio	Debt	Equity	-	-	0%	
Debt Service Coverage Ratio	Net Operating Income	Debt Service	NA	NA	0%	
Return on Equity Ratio	Net Income	Shareholder's equity	0.17	0.23	-24%	Variance is due to increase in shareholder's equity due to the increased reserves.
Trade payables turnover ratio	Total Purchases	Average of Trade Payables	9.83	11.02	-11%	
Trade Receivables turnover ratio	Net Credit Sale	Average of Trade Receivables	3.68	4.27	-14%	
Net capital turnover ratio	Net Sales	Working Capital	1.31	1.70	-23%	Variance is due to the increase in provisions for expenses
Net profit ratio	Net Profit	Total Sales	0.15	0.16	-6%	
Return on Capital employed	EBIT	Networth + Total Debt + DTL	0.22	0.23	-4%	
Return on investment.	Gain on investments	Average Investment	0.03	0.04	-14%	

### 35 Prior Period Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Miscellaneous Expense	0.36	2.86
<b>Total</b>	<b>0.36</b>	<b>2.86</b>

**Notes to the financial statements (continued)**

**36. Segment Reporting**

The Company is operating only in one segment, namely Language Technology Services and Consultancy Services. As a part of secondary reporting geographical segments are considered based on the location of customer. The Company operates in two geographical segments viz in India and outside India.

The Financial Information about the Secondary Segments is as given below:

(₹ in lakhs)

		Geographical Segments		Total	Geographical Segments		Total
		India	Outside India		India	Outside India	
<b>A</b>	<b>Segment Revenue</b>						
	Total Sales	162.87	3,846.24	4,009.12	247.27	3,089.84	3,337.10
	<b>Total Revenue</b>	<b>162.87</b>	<b>3,846.24</b>	<b>4,009.12</b>	<b>247.27</b>	<b>3,089.84</b>	<b>3,337.10</b>
<b>B</b>	<b>Segment Assets</b>						
	Segment Assets	255.05	1,003.93	1,258.98	235.89	802.76	1,038.64
	Unallocated assets	-	-	3,143.23	-	-	2,709.82
	<b>Total Assets</b>	<b>255.05</b>	<b>1,003.93</b>	<b>4,402.20</b>	<b>235.89</b>	<b>802.76</b>	<b>3,748.47</b>

**37 Corporate Social Responsibility (CSR)**

(₹ in lakhs)

Particulars	Period ended 31 March 2024	Period ended 31 March 2023
(a) Amount required to be spent during the year	<b>12.04</b>	10.12
(b) Amount of expenditure incurred	<b>12.04</b>	10.20
(c) Shortfall / (Excess) at the end of the year	<b>0.00</b>	-0.08
(d) Total of previous years shortfall	<b>NA</b>	NA
(e) Reasons for shortfall	<b>NA</b>	NA
(f) Nature of CSR activities: Promotion of education, contribution to incubators & ensuring environmental sustainability	<b>Non-Project Expense</b>	Non-Project Expense
(g) Details of related party transactions	<b>NA</b>	NA
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	<b>NA</b>	NA

**38 There are no contingent liabilities as on 31<sup>st</sup> March 2024. (FY 2023-24 : Nil)**

- 39** (i) The Company does not have any long-term contracts including derivative contracts for which there are material foreseeable losses.
- (ii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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## Notes to the financial statements (continued)

### 40 Long Term Loans and Advances

(₹ in lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	0%
Directors	-	0%
KMPs	-	0%
Related Parties	389.60	100%

Name of the Borrower	Nature and purpose of Loan	Nature of security	Outstanding amount	Default if any	Reasons for delay
LinguaSol Private Limited	Working capital loan	Director of the Borrower company (Mr. Sunil Kulkarni) has given personal guarantee as a security.	389.60 Lakhs	37.50 Lakhs	Due to delay in generation of sufficient funds from operation.

The Company had granted unsecured long term loan to LinguaSol Private Limited ("LinguaSol") in previous year/s out of which principal amount of ₹ 378.26 Lakhs and accrued interest of ₹ 11.34 Lakhs is outstanding till March 31, 2024 (Principal amount ₹ 476.29 Lakhs as at March 31, 2023). LinguaSol repaid ₹112.50 Lakhs towards principal and interest in FY 2023-24. Director of LinguaSol has given personal guarantee as security for Loan. In light of steps taken together with future projection of cashflows, the Management of LinguaSol is confident of turnaround and repayment of loan given to them. Further, In respect of loan granted by the Company, The Schedule of repayment of Loan (inclusive of Interest at rate of 7% p.a. Compounding Annually) has been stipulated.

The loan along with interest shall be repaid fully by FY 2029-30.

Accordingly, the Company has not considered any adjustments including provision for impairment to the carrying value of the loan (including interest outstanding) as at the year end.

### 41 To the best of our knowledge and belief,

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- Also No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 42 Dividend Distribution made & proposed

(₹ in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2024	Year Ended 31 <sup>st</sup> March, 2023
Cash Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: ₹ 0.70/- per share ( i.e. 7% of face value )	96.25	-
Total Dividend Paid	95.66	-



**Notes to the financial statements (continued)**

The Board of Director has recommended dividend of ₹ 1.1/- per share i.e. 11% of Face Value for FY 2023-24 in the Board meeting held on 23.05.2024. This proposed dividend on equity shares are subject to approval at AGM & not recognised as liability on reporting date.

- 43 Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during financial year 2023-24.
- 44 Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2023-24.
- 45 There are no capital commitments as at 31<sup>st</sup> March 2024.
- 46 The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
- 47 There is neither creation nor modification of charge in the FY 2023-24 .
- 48 The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.
- 49 During the year ended March 31, 2024, the Company was not party to any approved scheme which needs approval from competent authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 50 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

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For **Kirtane & Pandit LLP**  
Chartered Accountants  
FRN - 105215W/ W100057

**Anand Jog**  
Partner  
Membership No.: 108177  
Place: Pune  
Date: May 23, 2024

For and on behalf of the Board of Directors of  
**Fidel Softech Limited**  
CIN: L72200PN2004PLC020061

**Sunil Kulkarni**  
Chairman and Executive Director  
DIN: 00752937  
Place: Pune  
Date: May 23, 2024

**Mandar Inamdar**  
Chief Financial Officer  
Place: Pune  
Date: May 23, 2024

**Prachi Kulkarni**  
Managing Director  
DIN: 03618459  
Place: Pune  
Date: May 23, 2024

**Sneha Ratnaparkhi**  
Company Secretary  
ICSI M.No. : A42657  
Place: Pune  
Date: May 23, 2024





# Fidel Softech Limited

LangTech & Consulting

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**CIN:** L72200PN2004PLC020061