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Corporate Information

Board of Directors

Sunil Kulkarni

Chairman and Executive Director

Prachi Kulkarni

Managing Director

Shyamak Kulkarni

Non-Executive Director

Pradeep Dharane

Independent Director

Dr. Girish Desai

Independent Director

Prajakta Kotasthane

(Wef 14 April 2025)

Independent Director

Dr. Apurva Joshi (till 14 April 2025)

Independent Director

Chief Financial officer

Mandar Inamdar

Company Secretary

Sneha Ratnaparkhi

Statutory Auditors

Kirtane & Pandit LLP

Secretarial Auditors

Abhijit Dakhawe

Internal Auditors

Milind Sangoram & Co.

Bankers

Kotak Mahindra Bank

Bank of India

Registrar and Share Transfer Agent

Bigshare Services Pvt Ltd

Registered and Corporate Office

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

Listed On -

NSE – Emerge Platform

Index

Particulars	Page Nos.
Chairmans Message	03
Boards Report	05
Annexures to the Boards Report	15
Management Discussion and Analysis	16
Standalone Independent Auditors Report	48
Standalone Balance Sheet	58
Standalone Profit & Loss Account	59
Standalone Cash Flow Statement	60
Standalone Notes to Accounts	62
Consolidated Independent Auditors Report	88
Consolidated Balance Sheet	94
Consolidated Profit & Loss Account	95
Consolidated Cash Flow Statement	96
Consolidated Notes to Accounts	98

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 brings over 20 years of extensive experience in IT and capital markets. She has successfully served as Managing Director for the past two years, demonstrating strong leadership and strategic vision. With a decade of professional experience in Japan and her ongoing work in India since 2012, Prachi is highly skilled in FinTech, specializing in 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 1,000 Teaching and Non-Teaching staff.

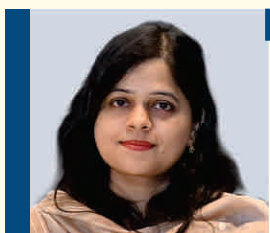


Prajakta Kotasthane

(wef 14th April 2025)

Prajakta Kotasthane is a second-generation entrepreneur with 20+ years of experience in manufacturing and ites sectors. She serves as the managing director of Shriram rubber products pvt. Ltd., and is leading a team of 150+ people across their three manufacturing plants in MIDC bhosari, pune.

Prajakta has held various honorary positions; she is the past chairperson of the Indo-American chamber of commerce (IACC) and all India rubber industries association (AIRIA) – pune chapter, and continues to serve on trade chamber committees.



Dr. Apurva Joshi

Independent Director
(upto 14th April 2025)

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 Riskpro Management Consulting P Ltd and is on the Board of several Public companies as Independent Director.



Chairman's Message

Dear Shareholders,

It gives me immense pleasure to present to you the 20th Annual Report for Fidel Softech Limited for the financial year 2024–25.

This year marked another milestone in our journey as we continued to build on our core strengths—**Language Engineering, Localization, and Technology Services**—to deliver impactful and scalable solutions to clients globally. Our vision to be a leading provider of multilingual technology solutions continues to gain traction as the demand for digital inclusivity and local language experiences grows across sectors and geographies.

We have made strategic progress on multiple fronts. The incorporation of our wholly owned subsidiary, **FidelSoft Inc., in Austin, USA**, in September 2024 is a significant step in our global expansion roadmap. This enables us to be closer to our clients, strengthen our delivery capabilities, and tap into new opportunities in the North American market.

Our financial performance reflects our consistent growth mindset and operational discipline. We have continued to maintain healthy margins, increase cash reserves, and improve key metrics such as earnings per share (EPS) and return on capital. More importantly, our focus on **sustainable growth and value creation** remains unwavering.

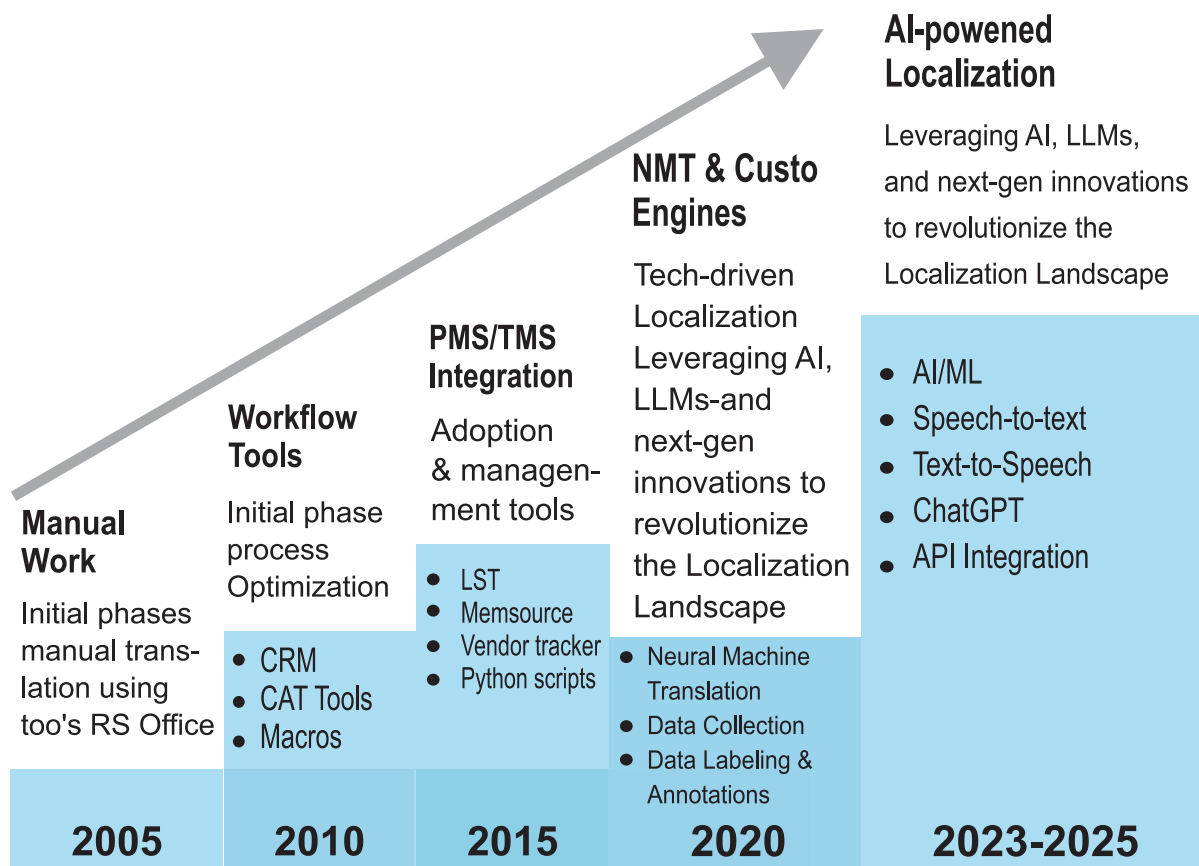
We are investing in future-ready capabilities—AI-enabled localization, cross-border fintech platforms, and cloud-native solutions—to stay relevant and competitive in a dynamic business environment. We are also strengthening partnerships and internal talent development to scale responsibly and inclusively.

I take this opportunity to thank our employees, customers, partners, investors, and board members for their trust and continued support. As we move ahead, we remain committed to delivering innovation with integrity, and building a company that delivers long-term value to all stakeholders.

Sunil Kulkarni

Chairman & Executive Director

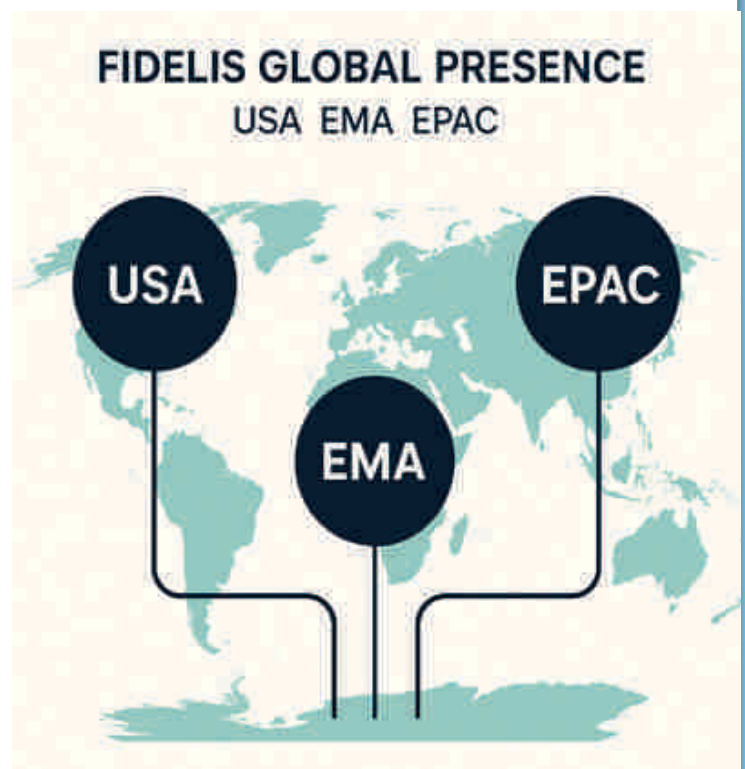
Fidel's Innovation Journey



About Fidel

Fidel Softech Limited is a technology-driven company specializing in language engineering, localization, and software solutions. Headquartered in Pune, India, Fidel delivers services across diverse verticals including IT, BFSI, manufacturing, and healthcare. With a strong global footprint across the USA, EMEA, and APAC regions, Fidel combines deep domain expertise with innovation to empower clients through multilingual digital transformation. Our commitment to quality, agility, and client-centric solutions positions us as a trusted partner in today's globalized business landscape.

Fidel's Presence



BOARD's REPORT

Dear Shareholders,

Your directors are pleased to present the Twentieth Annual Report of **FIDEL SOFTECH LIMITED** along with the Audited Financial Statement for the Financial Year ended March 31, 2025.

1. Highlights of Financial Performance

The Company has recorded the following financial performance, for the year ended March 31, 2025:

(Amount in ₹ Cr)

Particulars	FY25 (Standalone)	FY25 (Consolidated)	FY24 (Standalone)
Revenue	54.80	55.04	40.09
EBITDA	12.57	12.66	8.24
Profit Before Tax	12.41	12.50	8.02
PBT %	22.65%	22.72%	20%
Profit After Tax	9.26	9.33	6.06
PAT %	16.90%	16.96%	15%
EPS	6.74	6.79	4.41

- **Revenue Growth:** The company experienced a significant revenue increase from ₹40.09 crore in FY23–24 to ₹55.04 crore in FY24–25, reflecting a robust demand for its services and successful market expansion.
- **EBITDA Improvement:** EBITDA rose from ₹8.24 crore to ₹12.66 crore, indicating enhanced operational efficiency and effective cost management.
- **Profit Before Tax (PBT):** PBT increased from ₹8.02 crore to ₹12.50 crore, with the margin improving from 20% to 22.72%, showcasing the company's ability to generate higher profits from its operations.
- **Profit After Tax (PAT):** PAT grew from ₹6.06 crore to ₹9.33 crore, with the margin rising from 15% to 16.96%, reflecting effective tax management and improved profitability.
- **Earnings Per Share (EPS):** EPS increased from ₹4.41 to ₹6.79, indicating enhanced shareholder value and consistent profitability.

Your Company has demonstrated exceptional financial growth in FY24–25 compared to the previous fiscal year. The significant increases in revenue, EBITDA, PBT, PAT, and EPS underscore the company's effective strategic initiatives, operational efficiency, and strong market positioning.

2. SUMMARY OF OPERATIONS

Key Developments in FY2024–25

- **Revenue Growth:** Achieved a significant revenue increase from ₹40.09 crore in FY2023–24 to ₹55.04 crore in FY 2024–25, reflecting robust demand and market expansion.
- **Operational Excellence:** Maintained a consistent profit margin, with PBT margin at 22% and PAT margin at 16.5%, demonstrating effective cost management and operational efficiency.
- **Strategic Initiatives:** Continued focus on AI/ML-driven localization services, multilingual prompt engineering, and expansion into new markets, including Malaysia.
- **Technological Advancements:** Implemented the Translation Management System (TMS) Plunet to optimize operations and enhance service delivery.
- **Human Resources:** Focused on strategic hiring and employee satisfaction to support growth and maintain a functional team.
- **Industry Recognition:** Received multiple awards for innovative and niche services in the global market.

Outlook for FY2025–26

Looking ahead, Fidel Softech aims to sustain its growth trajectory by:

- Leveraging AI and localization technologies to drive new business opportunities.

- Expanding market presence through strategic partnerships and geographic diversification.
- Focusing on operational excellence and process optimization to maintain profitability.
- Investing in employee development and satisfaction to foster a high-performing team.

With a solid foundation and strategic initiatives in place, Fidel Softech is poised for continued success in the coming fiscal year.

3. RESERVES

The Board of Directors have not proposed to transfer any amount to any Reserve. Therefore, entire profits of ₹9.33 cr. (before distribution of dividend) earned during the financial year 2024-25 have been retained in profit and loss account.

4. DIVIDEND

Your directors are pleased to recommend a dividend of ₹2 per share for the current financial year.

5. 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 ₹455.46 Lakhs towards Funding Working Capital requirements of the Company and ₹163.30 Lakhs towards General Corporate Purposes for the financial year ended 2024-25. During the year the Company has utilized ₹149.57 Lakhs towards Funding Working Capital requirements and ₹92.89 Lakhs towards General Corporate Purposes.

Actual utilization since inception was ₹836.89 Lakhs in total and ₹376.37 Lakhs still remained unutilized. There was a shortfall in utilization of funds as the Company had undertaken a conservative approach of spending the funds raised. The Company 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.

6. ANNUAL RETURN

As per the Companies (Management and Administration) Amendment Rules, 2020 dated 28th 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.fidelsoftech.com/other-disclosures/>

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2025, 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.fidelsoftech.com/board-of-director/>. The constitution of the Board Committees is given elsewhere in this report.

The following changes have been made to the Board of Directors of the Company during the year:

- a. Mr. Shyamak Kulkarni (DIN: 09552445) is liable for retirement by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting

b. Re-appointment of Managing Director:

Mrs. Prachi Kulkarni (DIN: 03618459), was re-appointed as the Managing Director of the Company by the Board of Directors for a further period of five years with effect from 1st April, 2025.

The approval of the members for her re-appointment as Managing Director and the remuneration payable to her was duly obtained at the Extra-Ordinary General Meeting of the Company held on 14th April, 2025, in accordance with the applicable provisions of the Companies Act, 2013, read with the relevant Rules framed thereunder and Schedule V to the said Act.

c. Re-appointment of Independent Directors:

Based on the recommendations of the Nomination and Remuneration Committee, Dr. Girish Desai (DIN: 08328701) and Mr. Pradeep Dharane (DIN: 02313403), Independent Directors of the Company, have been re-appointed for a second term of two years, in accordance with the provisions of the Companies Act, 2013.

d. Cessation of Directorship:

Dr. Apurva Joshi ceased to be an Independent Director of the Company upon completion of her first term of 3 years on 14th April 2025.

The Board places on record its sincere appreciation and gratitude for the valuable contributions made by her during her tenure.

e. Appointment of Additional Director (Independent):

Upon the recommendation of the Nomination and Remuneration Committee, Mrs. Prajakta Kotasthane (DIN: 00713512) has been appointed as an Additional Director in the category of Independent Director of the Company with effect from 14th April 2025.

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 2024-2025.

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 2024-25 has been carried out and the same was shared with the Chairman of the Company and Nomination and Remuneration Committee of the Board.

8. 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.

9. 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

20th Annual Report

Total of 7 (Seven) Board Meetings were held during the financial year ended March 31 2025, detailed as under. The maximum gap between any two Board Meetings was less than 120 days.

Sr. No	Meeting dates
1	May 8, 2024
2	May 23, 2024
3	July 30, 2024
4	September 14, 2024
5	November 7, 2024
6	January 30, 2025
7	March 15, 2025

The Board Meeting attended by each Director is as follows –

Sr. No	Name of Directors	No. of Board Meeting attended
1	Mr. Sunil Kulkarni	7
2	Mrs. Prachi Kulkarni	7
3	Mr. Shyamak Kulkarni	6
4	Mr. Pradeep Dharane	5
5	Dr. Girish Desai	7
6	Dr. Apurva Joshi	7

10. 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

Total of 7 (Seven) meetings of the Committee were held during the period ended March 31, 2025; detailed as under:

Sr. No	Meeting dates
1	May 8, 2024
2	May 23, 2024
3	July 30, 2024
4	September 14, 2024
5	November 7, 2024
6	January 30, 2025
7	March 15, 2025

The Committee meeting attended by members are as follows:

Names of Members	No of meetings attended
Dr. Apurva Joshi	7
Mrs. Prachi Kulkarni	7
Dr. Girish Desai	7

The Audit Committee is Reconstituted wef 14th April 2025 as under –

1. Mr. Pradeep Dharane, Independent Director, Chairman of the Committee
2. Dr. Girish Desai, Independent Director- Member of the Committee
3. Mr. Sunil Kulkarni, Executive Director - Member of the Committee

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. Pradeep Dharane, Independent Director

Total of 2 (Two) meetings of the Committee were held during the period ended March 31, 2025; detailed as under:

Sr. No	Meeting dates
1	May 23, 2024
2	March 15, 2025

The Committee meeting attended by members are as follows:

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

Mr. Shamak Kulkarni, Non -Executive Director has been appointed as a member of Nomination and Remuneration Committee with effect from 10th April, 2025.

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/>

The Nomination and Remuneration Committee is Reconstituted wef 14th April 2025 as under –

1. Dr. Girish Desai, Independent Director- Chairman of the Committee
2. Mr. Pradeep Dharane, Independent Director- Member of the Committee
3. Mrs. Prajakta Kotasthane Independent Director- Member of the Committee
4. Mr. Shyamak Kulkarni, Non-Executive Director - Member of the Committee

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

The Stakeholders Relationship Committee is Reconstituted wef 14th April 2025 as under –

1. Mrs. Prajakta Kotasthane Independent Director- Chairman of the Committee
2. Mr. Pradeep Dharane, Independent Director- Member of the Committee
3. Mrs. Prachi Kulkarni, Managing Director- Member of the Committee

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.

11. DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

In September 2024, the company established a wholly owned subsidiary, FidelSoft Inc., based in Austin, USA." Further details are mentioned in the form **AOC-1** attached as **Annexure I**.

PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

FidelSoft Inc., a wholly owned subsidiary of the Company, was incorporated in September 2024 and has recently commenced its business operations. The financials have been consolidated, and the subsidiary has already contributed approximately 0.62% to the overall turnover. The Company remains optimistic about the growth potential of the subsidiary and is confident of its positive contribution to the topline in the current financial year.

12. INTERNAL FINANCIAL CONTROL AND RISK 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.

13. 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;
2. 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, 2025 and of the profit of the Company for that period.
3. 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.
4. they have prepared the annual accounts on a 'going concern' basis.
5. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT :

Pursuant to Regulation 34 (2) (e) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Management Discussion & Analysis Report for the year under review forms the part of this report and is marked as **Annexure II**, to this report.

15. 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.fidelsofttech.com/corporate-policies/>

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

16. 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/>

17. AUDITORS

a. Statutory Auditors-

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

The Unmodified opinion of Auditors on the Financial Statement of the Company for Financial Year 2024-25 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 has appointed CS Abhijit Dakhawe (FCS No. 6126, CP No. 4474) as Secretarial Auditor of the Company in the Board Meeting held on 7th November, 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 2024-25.

The report of the Secretarial Auditor **MR-3** for the financial year 2024-25 is enclosed as **Annexure 'III'** to this Board's Report, which is self-explanatory. The Secretarial Audit Report has following remarks –

1. *During the year under audit, the company submitted form FC-GPR in respect of allotment to overseas investor made in year 2007, the same was rejected by Reserve Bank of India / AD Bank i.e. Bank of India for want of correct FIRC and KYC. Further, Bank of India vide its letter dated 7th December 2024 has expressed its inability to issue original FIRC and KYC as transaction being too old. As informed to me by the management, the Company has decided to approach Reserve Bank of India for compounding the delay in the said matter.*

Management Response –

The Company acknowledges the audit observation regarding the delayed submission of Form FC-GPR for the allotment made to an overseas investor in the year 2007. Due to the considerable time elapsed since the transaction, the Authorised Dealer (AD) Bank—Bank of India—has expressed its inability to issue the original FIRC and KYC documents, which are essential for processing the form. Consequently, the submission was rejected by the Reserve Bank of India (RBI).

Considering the circumstances and as per current regulatory requirements, the Company has decided to initiate compounding proceedings with the RBI to regularize the delay in compliance. Necessary documentation and applications are in the process of being prepared for submission to the Foreign Exchange Department of the RBI.

The Company remains committed to full compliance with all applicable FEMA regulations and will take appropriate measures to prevent the recurrence of such delays in the future.

2. During the course of our Audit, we have observed that there are occasional delays in reporting certain required disclosures on NSE Emerge platform as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management Response: We acknowledge the observation regarding occasional delays in reporting certain required disclosures on the NSE Emerge platform. The Company remains committed to complying with all regulatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have since taken corrective steps to strengthen our internal compliance framework, including the implementation of a compliance calendar, enhanced training for relevant personnel, and periodic internal reviews to ensure timely and accurate disclosures.

Going forward, we are confident that these measures will help us ensure full compliance with all applicable listing regulations in a timely manner.

C. Internal Auditors

The Company has appointed 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 2024-25.

18. 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.

During the year, the Company incorporated a wholly-owned subsidiary in the United States in September 2024 with an initial investment of USD 50,000.

There were no new Loans 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).

19. RELATED PARTY TRANSACTION

All related party transactions (RPT) that were entered into during the Financial Year ended 31st March 2025 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.

The details of transactions with Related Parties in the Form No. **AOC-2**, as prescribed by the Rule 8(2) of the Companies (Accounts) Rules 2014 are attached to this report and marked as **Annexure-IV**.

20. 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.

21. 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.

22. FOREIGN EXCHANGE AND OUTGO

The Company had a total foreign exchange earnings and outgoing as provided below during the year ended 31st, March 2025:

Amount in Cr. (Consolidated)

Foreign Exchange Earnings	51.97
Foreign Exchange Outgo	6.29

23. 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 V** 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.

24. 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.

25. 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

26. COMPANY'S WEBSITE

Your Company has its fully functional website LangTech for AI-ML | IT Services | Custom Software Dev - Fidel which has been designed to exhibit all the relevant details about the Company. The site carries a comprehensive database of information of the Company including the Financial Results of your Company, Shareholding Pattern, details of Board Committees, Corporate Policies/ Codes, business activities and current affairs of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013, Companies Rules, 2014 and as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 VI** to this report.

29. OTHER DISCLOSURE

1. Cash Flow Statement for the financial year ended March 31, 2025, 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, 2025.
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 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 form 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 on behalf of the 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: April 30, 2025

Place : Pune, India

Annexure I

FORM AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1	Sr. No.	1
2	Name of the subsidiary	Fidelsoft Inc
3	The date since when subsidiary was acquired	1 st January 2025
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as Holding Company (April to March)
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Currency – US Dollars Rate – 85.69/- Avrg rate
6	Share capital	₹42,85,500/-
7	Reserves and surplus	₹7,22,375/-
8	Total assets	₹76,60,889/-
9	Total Liabilities	₹26,53,014/-
10	Investments	--
11	Turnover	₹33,85,692/-
12	Profit before taxation	₹9,15,130/-
13	Provision for taxation	₹1,92,755/-
14	Profit after taxation	₹7,22,375/-
15	Proposed Dividend	--
16	Extent of shareholding (in percentage)	100% by Fidel Softech Limited

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. – NA

Part B

Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures

The Company does not have any associate and Joint Ventures and hence reporting under the said rule is not applicable to the Company.

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

Sunil Kulkarni
Director
DIN: 00752937
Place: Pune
Date: April 30, 2025

Mandar Inamdar
Chief Financial Officer
Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

Annexure II

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

MANAGEMENT DISCUSSION ANALYSIS

The fiscal year 2024–2025 represented the third year following Fidel's listing on the National Stock Exchange's SME platform, a period that was instrumental in demonstrating sustained quarter-on-quarter growth. This achievement was underpinned by the operational expansion of the Hyderabad center, the establishment of a new office in the United States, and the initiation of revenue generation from international operations. Throughout the year, Fidel upheld consistent investor confidence, resulting in enhanced liquidity despite considerable volatility in global and domestic markets in early 2025, which exerted downward pressure on the company's stock price. Notwithstanding these external challenges, Fidel's core investors remained committed to the organization. This Management Discussion and Analysis (MD&A) report presents a comprehensive assessment of the company's performance, identifies the principal factors influencing financial outcomes, and articulates management's strategic outlook for the future.

GLOBAL ECONOMY

Over FY 24-25, the global economy has been influenced by rising geopolitical tensions, interest rate cuts, and mixed employment signals, which have created both uncertainty and cautious optimism. Central banks have concentrated on controlling inflation while striving to balance economic stability with growth. However, the global outlook remains uncertain, particularly with the possibility of escalating tariff conflicts. Global growth is projected to slow slightly in 2024, with some improvement expected in 2025, though another potential dip may occur in 2026 due to policy shifts following the U.S. elections. Inflation is predicted to ease through mid-2025, primarily driven by lower energy prices and tighter monetary policies, although risks such as geopolitical instability and ongoing trade tensions continue to pose challenges. Throughout the year, interest rate cuts and currency fluctuations have been prominent, affecting global financial conditions. Despite these challenges, coordinated efforts and resilience may guide the global economy toward greater stability in the coming years.



MANAGEMENT DISCUSSION ANALYSIS

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. With the global language localization industry valued at over \$80 billion, Fidel differentiates itself through a unique blend of language, technology, and consulting expertise. In addition to LangTech, Fidel is also actively supporting clients in their digital transformation journeys, AI adoption, enterprise application development, support and maintenance, cloud and infrastructure services, and staffing consulting. Expanding its service portfolio further, Fidel has recently introduced Japan-India consulting services to strengthen cross-border collaboration and business integration.

Our offerings include:

IT & Consulting Services –

Enterprise Solution & Services Implementation, Cloud, Security & Managed Services, Digital Transformation, Bilingual Staffing & Consulting Services



Language Localization & Engineering Services

Software Localization & Engineering, Translation, MTPE (Machine Translation & Post-editing), and other language services, AI-ML and multilingual LLM-related services

Other Consulting Services (new) –

Japan-India Business Consulting Services
This comprehensive and integrated approach enables Fidel to deliver end-to-end value, combining deep technological capabilities with cultural and linguistic intelligence to support global business success.

Embracing Innovation Through Technology, Tools, and Processes

At Fidel, innovation is more than a goal—it's a continuous journey fuelled by our commitment to adopt and implement cutting-edge technologies, modern tools, and robust processes. This forward-thinking approach ensures we deliver optimal solutions with high efficiency and precision to our diverse clientele, including end-user companies, Government and PSU sectors, and system integrators worldwide. This year, Fidel strengthened its position as a technology-driven solutions partner, delivering optimized, scalable, and domain-specific solutions with speed, accuracy, and efficiency.

MANAGEMENT DISCUSSION ANALYSIS

Our innovation strategy focuses on three core pillars:



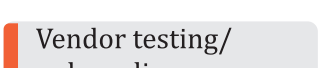
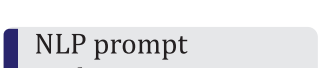


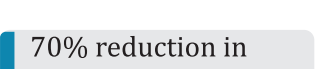
- Adoption of emerging technologies
- Development of intelligent, customizable tools
- Institutionalization of agile and scalable processes

This approach enabled us to achieve a 20% reduction in project turnaround time, a 15% improvement in translation accuracy for domain-specific content, and a 20% increase in internal productivity across teams involved in content localization, automation, and platform development.

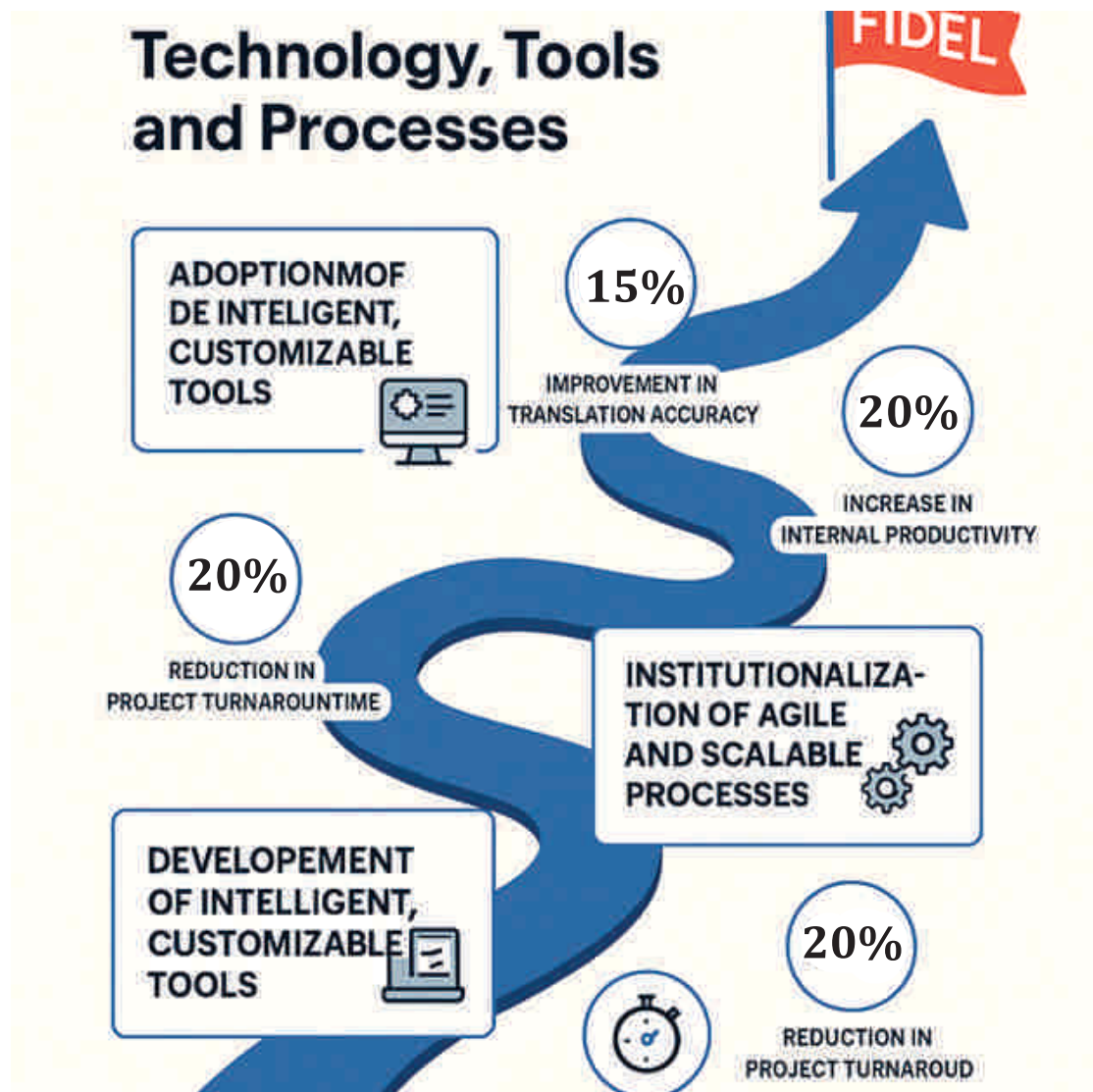
We proudly serve a diverse clientele, including:

- Global Enterprises seeking secure and scalable localization solutions
- Government & PSU Sector Clients requiring compliance-driven translations
- System Integrators collaborating on multilingual, multi-platform digital transformation initiatives

Below is a snapshot of our standout technology-driven projects that demonstrate this commitment:

	 Project	 Use Case	 Impact
			
			
			
			
			
			

MANAGEMENT DISCUSSION ANALYSIS



In addition to our core language localization and engineering services, Fidel has significantly expanded its presence in the IT and consulting services space. This strategic growth includes the delivery of enterprise technology solutions such as Service Now and Infor Syteline, along with services in cloud infrastructure, artificial intelligence and cybersecurity. Over the past year, Fidel continued supporting enterprise application implementation projects, particularly for Infor Syteline, offering services ranging from product development and customization to legacy system modernization, support and maintenance. These initiatives reflect our ongoing commitment to innovation and our ability to align with the evolving technological needs of our clients.

With a strong presence in the Japanese market for over two decades, Fidel has built long-standing relationships with enterprises and SMEs, offering bilingual support and culturally attuned solutions. Our teams are trained in the Japanese language to ensure seamless communication and delivery. In recent years, we have observed a growing interest among

MANAGEMENT DISCUSSION ANALYSIS

Japanese companies to explore India—not just as a market, but as a strategic delivery centre leveraging its vast technical talent and demographic dividend. Fidel has positioned itself as a bridge between Japan and India, supporting Japanese businesses in their India entry strategy. This includes comprehensive services such as market research, office setup assistance, participation in industry events, and direct engagement with potential clients and partners. We also provide on-ground operational support to help Japanese firms establish and scale their presence in India.

Through these efforts, Fidel continues to adapt, expand and innovate reinforcing our role as a trusted technology partner and cross-border enabler for clients around the globe.

Looking ahead, the global localization industry shows significant promise. The language services market, which grew by 5.6% to reach USD 71.7 billion in 2024, is projected to continue expanding, reaching USD 75.7 billion in 2025. Although previous pre-AI projections anticipated a 7.0% compound annual growth rate (CAGR), emerging trends and the impact of AI have moderated the forecast to a more linear progression, with a projected CAGR of 5.0% through 2029. By then, the industry is expected to reach USD 92.3 billion.

Several key factors are driving this growth. Government initiatives are increasingly focused on promoting multilingual communication to ensure inclusivity and accessibility. The rise of e-commerce and its ambition to penetrate every regional market has made localization a fundamental business requirement. Local and regional language optimization is now central to search engine strategies. At the same time, the AI revolution has highlighted the need for large multilingual datasets to effectively train engines capable of serving global audiences. Sectors such as life sciences and legal continue to rely on high-quality, manual translation services due to the critical nature of their content. Additionally, speech-to-speech translation technologies are gaining rapid adoption and AI-powered video dubbing is quickly becoming mainstream in digital media, entertainment and education sectors.

In this rapidly evolving landscape, Fidel remains committed to driving innovation, embracing technological advancements and delivering reliable, scalable and culturally aware solutions that empower our clients to succeed in global markets.

OPPORTUNITIES AND THREATS. RISKS AND CONCERNS.

Fidel Softech, a trusted and well-established brand, has maintained a strong presence in the industry for over 20 years. The company is committed to the highest standards of ethical conduct and corporate governance, ensuring transparency, accountability, and long-term sustainability in all its operations.

While Fidel remains confident in its ability to meet strategic goals, it also recognizes the importance of anticipating and managing risks. Changing market dynamics, evolving regulatory landscapes, and economic fluctuations present ongoing challenges. Fidel proactively monitors

MANAGEMENT DISCUSSION ANALYSIS

these external factors and deploys well-defined contingency plans to mitigate potential impacts on performance.

Amidst these challenges lie significant opportunities. Globalization has intensified the demand for multilingual communication, unlocking new markets and sectors where Fidel's localization and translation services are highly relevant. The growing integration of Artificial Intelligence, particularly in the form of Machine Translation and advanced natural language processing models, presents substantial opportunities for service enhancement. These technologies enable faster, more accurate, and scalable translation workflows, aligning perfectly with Fidel's dual strength in technology and linguistics.

Moreover, strategic alliances with technology partners and industry leaders allow Fidel to remain at the forefront of innovation. These collaborations not only expand access to cutting-edge tools but also introduce Fidel to new customer segments and industry domains. A key part of this forward-looking approach is continuous investment in workforce development. By training its team in the latest technologies and practices, Fidel ensures it can deliver high-quality services that meet global standards.

However, the company also acknowledges the highly competitive nature of the translation and localization industry, which demands constant innovation and superior service delivery. Rapid advancements in technology require a proactive mindset to avoid obsolescence. In addition, regulatory shifts in various jurisdictions necessitate ongoing compliance and adaptability.

Operational risks must also be managed effectively. Global economic uncertainty can affect client budgets and influence spending on localization services. Data security remains a top priority, as Fidel handles sensitive and confidential content across projects. Ensuring robust cybersecurity frameworks is vital to protect client trust and operational integrity. Furthermore, attracting and retaining top talent is critical, as high employee turnover can impact delivery timelines and quality. Over-dependence on a limited number of key clients also presents a risk, which Fidel addresses through diversification strategies.

As a technology-driven company—not a pure-play language service provider—Fidel views the rise of AI not as a threat but as a catalyst for growth. The ability to generate, manage, and fine-tune large-scale multilingual datasets uniquely positions Fidel to leverage AI advancements, creating differentiated solutions that blend linguistic accuracy with technological sophistication.

With a balanced approach that embraces innovation, manages risk, and focuses on long-term growth, Fidel continues to strengthen its position as a leading cross-border technology partner in the localization and IT services landscape.

MANAGEMENT DISCUSSION ANALYSIS

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

In FY 2024-25, Fidel made notable advancements across its key business segments, with strong performance in Language Localization, Engineering Services and IT & Consulting Services. The year was marked by impactful deliveries, expansion into rare language capabilities and entry into new verticals all underscoring Fidel's commitment to quality, innovation and global reach.

Language Localization Services

Fidel continued to lead in large-scale multilingual projects, making significant contributions across industries including education, governance, life sciences and investor relations. Key highlights include:

Rare Language Expansion: Successfully added languages such as Fula, Siswati, Berber, Nyanja, Chichewa, Bahamian, Samoan, Visaya and Wolof to our linguistic portfolio, reinforcing our global language coverage and inclusivity.

Major Projects Delivered:

- A high-volume English-to-Japanese localization project, completed in record time.
- Localization of a mental health support app for an International Government Organization (IGO) in 15 languages across Indian, Asian, and European regions.
- High volume Translation for investor relations documentation.
- A long-term multilingual initiative covering 10 Indian languages for the education sector.
- Localization of academic and professional content for Indian Institute of Management (IIM) in 22 Indian languages, across themes like Artificial Intelligence, Human Resources and the Electronics Industry.
- A comprehensive DTP project covering 5,000 pages across 23 languages.
- Corporate video localization with voiceover and subtitling in 9 languages.
- Support for data collection projects focused on rural and tribal dialects of Hindi and Marathi.

These achievements reflect Fidel's growing reputation as a trusted language partner for complex, high-impact localization needs.

Engineering Services

Hyderabad Operations: Our Hyderabad center, launched last year, performed in line with expectations, generating projected revenues and reinforcing our regional delivery capabilities.

IT & Consulting Services

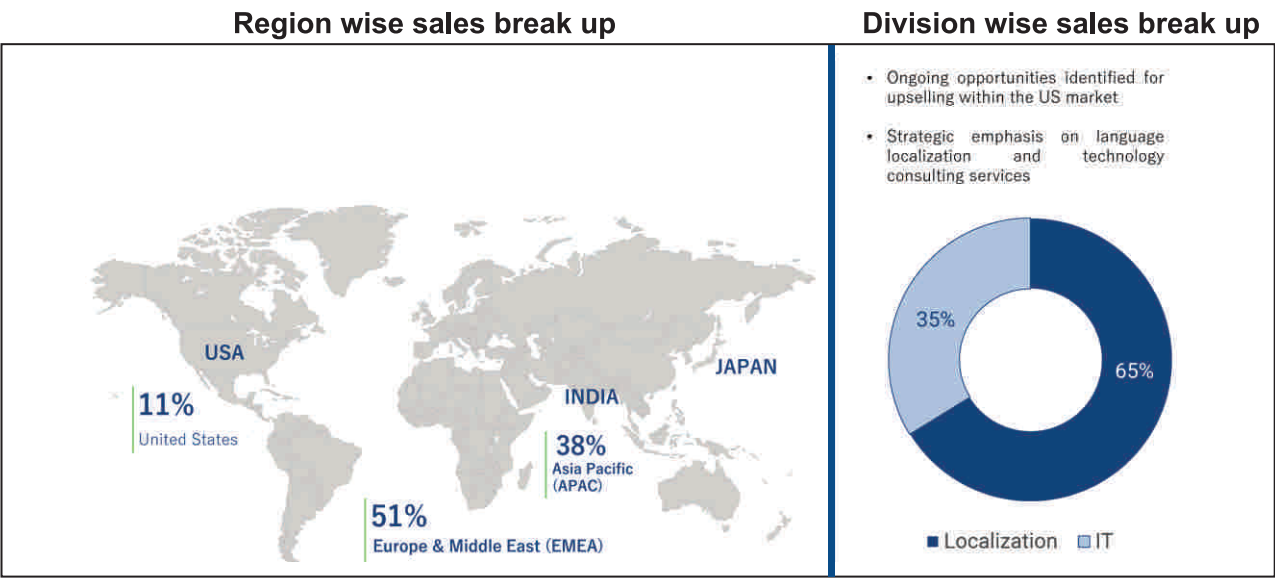
- Business Intelligence Transformation: Reengineered Infor Syteline Reporting using Power BI for a leading OEM manufacturing underground piping solutions optimizing performance across casting, machining, painting and assembly processes.

MANAGEMENT DISCUSSION ANALYSIS

- Cloud Migration Project: Successfully migrated a Centralized Monitoring System for a Japanese company managing water and gas utilities—ensuring seamless and secure data access for critical infrastructure operations.

Financial Performance

Fidel's revenue distribution by region and division wise sales is as follows:



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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Fidel maintains a robust and well-structured internal control system designed to ensure the reliability of financial reporting, the effectiveness and efficiency of operations, and adherence to all applicable laws and regulatory requirements. These systems are regularly evaluated to ensure they remain aligned with the evolving nature of our business operations.

Our internal controls are supported by a dedicated in-house finance and compliance team, supplemented by subject matter experts when specialized guidance is required. We have comprehensive audit mechanisms in place, including internal audits, statutory audits, and secretarial audits. These are conducted rigorously with the involvement of third-party auditors to maintain objectivity and strengthen our internal governance framework.

Regular reviews and assessments by our internal audit function are instrumental in identifying areas for process improvement and ensuring that any risks or inefficiencies are addressed proactively. The most recent evaluations revealed no material weaknesses or significant deficiencies in our internal control environment.

Fidel remains committed to upholding high standards of corporate governance and accountability. Our internal control framework not only facilitates accurate financial reporting

MANAGEMENT DISCUSSION ANALYSIS

but also supports informed decision-making and continuous operational improvement across the organization.

In addition to robust internal control mechanisms, the Company has secured comprehensive insurance coverage including Cyber Insurance, Commercial General Liability (CGL) Insurance, and Professional Indemnity (PI) Insurance policies. These policies are designed to protect the Company against a wide range of operational, legal and cyber-related risks, thereby reinforcing our overall risk management framework.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Year 2024–2025: Sustained Growth and Strategic Impact

In the financial year 2024–2025, Fidel achieved steady quarter-on-quarter growth, underpinned by increased revenues, sustainable profit margins, and strong positive cash flows. The following strategic initiatives and business drivers played a key role in our financial performance:

- **Strong Strategic Client Base**

Fidel continues to nurture a focused portfolio of over **25 strategic clients**, with the **top 10 contributing nearly 75%** of total revenue. This high contribution from existing clients reflects our consistent delivery excellence across quality, communication, timeliness and overall value.

- **Robust New Client Acquisition**

This year, Fidel successfully onboarded **50+ new clients**, enhancing our market footprint and contributing to diversified and sustainable revenue streams across geographies and sectors.

- **Active Industry Engagement**

We actively participated in targeted industry events and seminars, helping us connect with the right audiences, strengthen brand visibility and deepen our client and partner ecosystem.

- **Targeted Marketing & Digital Presence**

Our marketing initiatives remained sharp and consistent, including:

- Regular website enhancements
- Strategic social media outreach
- Periodic newsletters to clients and prospects
- Improved **SEO and digital presence** for **higher-quality inbound lead generation**

These efforts have significantly boosted our brand visibility and contributed to a healthier sales pipeline.

MANAGEMENT DISCUSSION ANALYSIS

- **Investment in Emerging Competencies**

We made focused investments in building capabilities around **ServiceNow, Infor Syteline,** and **Cloud technologies**, while continuously **reskilling our teams** to adapt to evolving technological landscapes positioning Fidel as a progressive and future-ready service provider.

- **U.S. Office Expansion**

The establishment and operationalization of our **U.S. office** marked a key milestone in Fidel's international expansion strategy, enabling us to better serve clients and prospects through a stronger nearshore presence.

- **Operational Efficiency and Process Automation**

By adopting a **process-oriented and automation-led approach**, we effectively managed operating expenses. These efficiencies translated into improved margins and a larger share of revenue being converted into healthy operating cash flows.

- **Currency Risk Management**

With a substantial share of revenues derived from the **Japanese and European markets**, we encountered currency volatility this year—primarily driven by changes in repo rates. We proactively implemented **currency risk mitigation strategies** to minimize exposure and safeguard profitability.

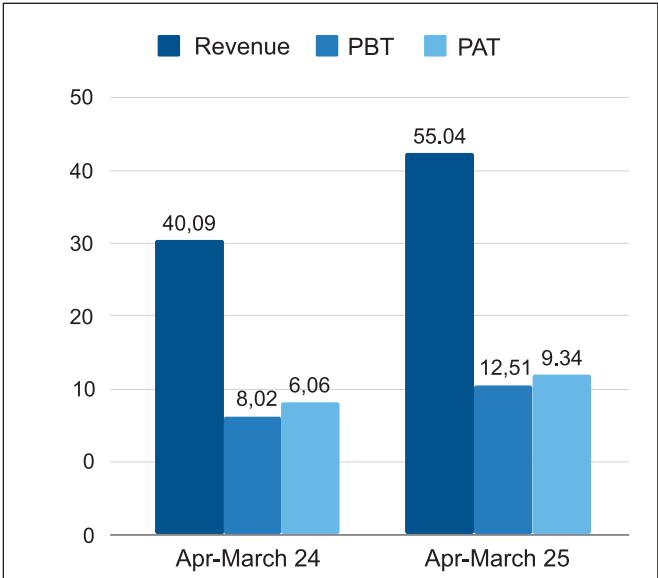
Financial Performance over the years -

Ratios	FY25 (Current year)	FY24 (Previous Year)	% Variance	Reason for variance
Current Ratio	8.63	7.76	11%	NA
Debt-Equity Ratio	NA	NA	NA	NA
Return on Equity Ratio	0.20	0.16	27%	Variance is due to higher net profit and revenues during the current year.
Trade payables turnover ratio	11.28	10.76	5%	NA
Trade Receivables turnover ratio	3.90	3.6	6%	NA
PBIT %	0.28	0.22	28%	Variance is due to higher Net Profit and Revenues

Snapshot of Financial Performance & Metrics

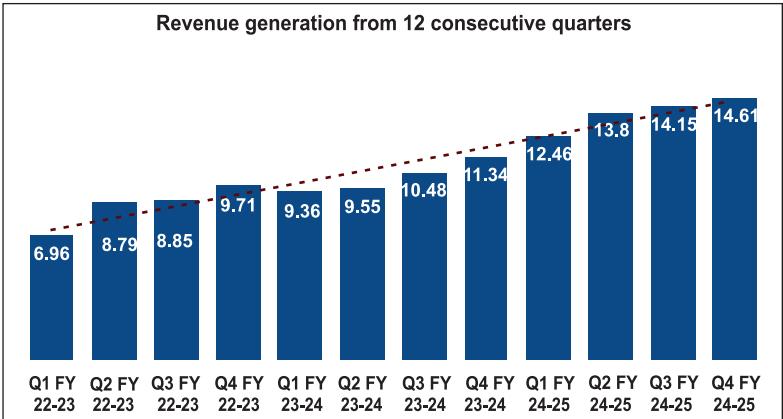
(as on 31st March 2025)

(amt in Cr.)

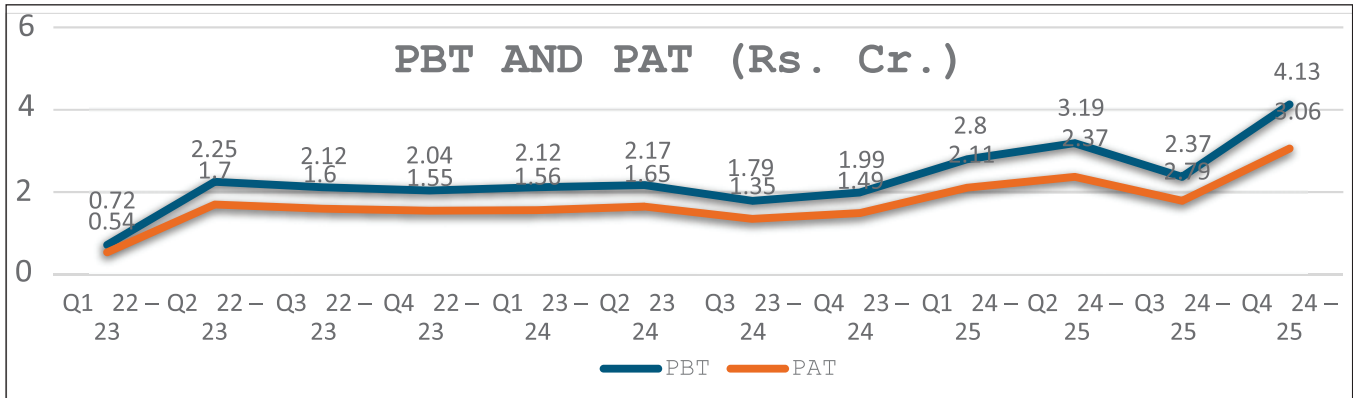
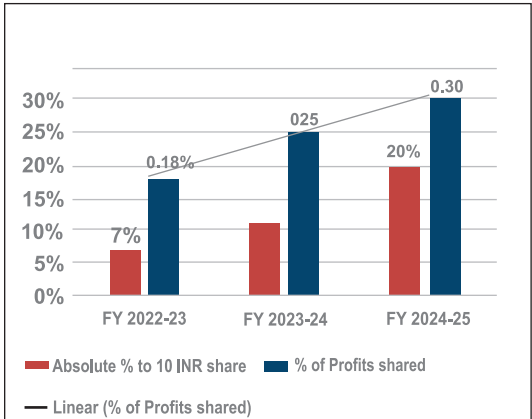


Performance since IPO (June 2022) till 31st March 2025

Revenue in cr.



Continue to pay dividend...



HUMAN RESOURCES



HUMAN RESOURCES: EMPOWERING PEOPLE, DRIVING GROWTH

At the start of FY 2024–2025, Fidel's team comprised 191 employees and 85 consultants. With the successful expansion and operationalization of our Hyderabad center, we closed the year with 204 employees and 113 consultants. To sustain this growth, we strategically onboarded professionals across Sales, HR, Marketing, and Localization, thereby strengthening both our leadership capacity and delivery effectiveness.

At Fidel, people are our greatest strength. We are committed to fostering an inclusive, empowering, and performance-oriented culture. Our hiring approach focuses on identifying individuals not just with the right qualifications, but also with the right mindset and growth potential. New joiners undergo a structured onboarding process to ensure they integrate seamlessly and start contributing meaningfully from the outset.

Continuous learning is a core part of our culture. We provide diverse opportunities for

upskilling through hands-on sessions, domain-specific workshops, industry-recognized certifications, and leadership development programs. In FY 2024–2025, the HR team facilitated 28 targeted training and skilling sessions across departments. Highlights included Service Now certification and PL-300 (Power BI) preparation in IT, Python Strings training, and self-paced learning initiatives. The Sysadmin team participated in Information Security Management Systems training and received specialized sessions on Windows and MacBook operations. Engineering teams engaged in advanced training on AI, ML, and audio processing technologies, supplemented by an AI Tools workshop. In Finance, advanced Excel training sharpened analytical skills, while the HR team undertook iSmart and LinkedIn training to enhance strategic capabilities. These initiatives underline our focus on building a future-ready, agile, and high-performing workforce.

Our performance management process is anchored in clarity and impact. Through structured goal-setting, regular check-ins, quarterly reviews, and annual appraisals, we ensure consistent alignment and accountability. Recognition plays a vital role through peer appreciation, spot awards, and formal accolades for excellence, innovation, and collaboration.

Work-life balance remains a key priority.

HUMAN RESOURCES

Flexible schedules, remote work options, and generous leave policies support employees in managing personal and professional responsibilities. Wellness initiatives ranging from fitness challenges and meditation sessions to preventive health checkups promote holistic well-being.

Our compensation framework is benchmarked against industry standards, with variable pay and performance-linked rewards fostering a merit-based culture. Comprehensive health insurance and thoughtfully designed benefits further support our employees' physical and financial security.

Open communication is central to our culture. Regular dialogue between leadership and employees, pulse surveys, and engagement events help us build trust, foster alignment, and strengthen organizational cohesion.

We are guided by a strong ethical foundation. Our Code of Conduct, supported by ongoing ethics training and accessible grievance redressal mechanisms, ensures a safe, respectful, and compliant work environment.

Career growth at Fidel is transparent and opportunity-rich. We provide well-defined career paths, cross-functional exposure, and mentorship programs to help employees thrive and grow within the organization.

This year, we also advanced our digital transformation in HR by automating key workflows from onboarding to exit resulting in improved efficiency and a smoother employee experience.

We view offboarding as an opportunity for reflection and ongoing connection. Insightful exit interviews inform continuous improvement, and our alumni network ensures lasting relationships rooted in mutual respect and shared success.

EMPLOYEE ENGAGEMENT ACTIVITIES

At Fidel, we understand that employee engagement is more than just an activity; it's a key factor in driving business success. Engaged employees are not only more productive and innovative but also more committed, leading to better retention, stronger teamwork, and improved collaboration. Over the past year, Fidel has consistently focused on initiatives that promote a positive, inclusive, and high-performance work environment.

Celebrating Cultural Diversity:

We celebrate cultural diversity by hosting vibrant festival celebrations such as Diwali, Christmas, Independence Day, and Pongal. These events bring employees together to enjoy traditional attire, festive food, and cultural activities, helping to build unity and a sense of belonging across teams.

Health and Wellness Programs:

Fidel also prioritizes employee health and wellness through a variety of programs, including Yoga Day celebrations, health checkups, fitness challenges, meditation classes, and friendly sports matches. These initiatives not only improve physical health but also reduce stress and boost overall morale.

Annual Party and Community Building:

Our annual party is a highlight of the year, offering employees a chance to relax, build personal connections, and celebrate shared achievements. The festive atmosphere

reinforces the sense of community and camaraderie within the company.

Recognition and Rewards:

We believe in recognizing and rewarding hard work and success. Our structured recognition program includes Spot Awards, Employee of the Month honors, and Milestone Achiever Awards. These recognitions motivate employees, reinforce a culture of appreciation, and encourage high performance.

Team Bonding through Outings

To further promote team bonding, we organize regular picnics and fun team outings. These recreational activities allow employees to interact beyond their workstations, strengthening interdepartmental collaboration and building stronger relationships.

Welcoming New Joiners:

Fidel also ensures that every new joiner feels welcomed and valued. We greet new employees with personalized welcome kits, team lunches, and thorough onboarding sessions to help them integrate into our culture and become productive quickly.

Women's Day Celebrations:

International Women's Day is an important occasion at Fidel, where we celebrate the achievements and contributions of women across departments. We host inspirational talks, panel discussions, and other activities that honor the women in our workplace.

EMPLOYEE ENGAGEMENT ACTIVITIES

Corporate Social Responsibility (CSR):

In addition to these events, we actively involve our employees in CSR initiatives, such as tree plantation drives and volunteering to teach professional skills to underprivileged communities. These efforts contribute to skill development and employability, making a positive impact beyond the company.

By investing in these engagement activities, Fidel creates a workplace where employees are motivated to grow and thrive, both personally and professionally. These initiatives foster a culture of collaboration, well-being, recognition, and purpose, making Fidel a great place to work



← Independence Day 2024

Post Monsoon trip-2024 →



← Fit & Fun Cricket-2024

EMPLOYEE ENGAGEMENT ACTIVITIES



← Dasara Celebration-2024

Diwali Celebration-2024 →



← Annual Get together-2024

AWARDS & CERTIFICATIONS

AWARDS, RECOGNITIONS AND PRESS UPDATES

Fidel CEO, Sunil Kulkarni, Honored by “Exemplary Leadership” Award.

The Inspiring and Successful Leadership Awards (ISLA) 2024 ceremony took place on 25 September 2024. Fidel CEO, Mr. Sunil Kulkarni, has been awarded the prestigious ISLA 2024, receiving the Exemplary Leadership award.

**Mr. Sunil Kulkarni with
Pragati Leadership
ISLA 2024 Awards**



Auto Cluster Development and Research Institute celebrated International Women's Day 2025 by recognizing exceptional women leaders across industries. Among the distinguished honorees was Ms. Prachi Kulkarni, Managing Director of Fidel Softech Limited.



Auto cluster Award-2025

OUTREACH PROGRAMMS

Fidel continues to build a strong and dynamic industry presence both locally and internationally through consistent participation in a variety of domain-specific events. From large-scale exhibitions to focused roundtable discussions and virtual conferences, these platforms have become instrumental in driving business visibility, fostering new relationships, and reinforcing Fidel's position as a trusted expert in language localization, engineering services, and IT solutions.

Our approach to these engagements is strategic and intentional. Whether it's a niche industry meet-up or a flagship tech event, the Fidel team brings energy, preparation, and a clear value proposition to every interaction. These events are more than just marketing opportunities they're spaces where we exchange ideas, stay informed on evolving industry trends, and demonstrate how Fidel's solutions address real-world challenges.

The rise of virtual events has added an exciting dimension to our outreach efforts. With the ability to connect across borders in real-time, Fidel has capitalized on this shift by showcasing its capabilities to a truly global audience, participating in webinars, online expos, and digital summits. These virtual platforms have proven to be cost-effective and impactful, especially in terms of reaching new markets and engaging with decision-makers worldwide.

Looking ahead, Fidel remains committed to staying at the forefront of industry conversations. By actively seeking out the right platforms for visibility and engagement, we aim to deepen our relationships, strengthen our brand footprint, and continue generating meaningful business opportunities across sectors and geographies.

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

#Sr.No.	Event
1	GALA Conference 2024
2	ServiceNow Knowledge 2024
3	EFY Expo 2024
4	GIBF's India Central Asia Business Conclave 2024
5	India Health 2024
6	BMM 2024
7	India-Japan Business Conference 2024
8	Global Economic Summit 2024
9	AI for Care Summit
10	Money Expo India 2024
11	PSU Leadership Conclave
12	Global Fintech Fest 2024

#Sr.No.	Event
13	BankTechX 2024
14	TechSpark 2024
15	SAMVĀD: CITLoB's Annual Conference 2024
16	India Mobile Congress
17	GlobalSaké 2024
18	LocWorld 52 2024
19	American Translators Association 65th Annual Conference
20	NASSCOM Technology Confluence 2024
21	TiE Global Summit 2024
22	NASSCOM Insights Day
23	Global Entrepreneurs Conclave 2025
24	The Rising Sun Conclave 2

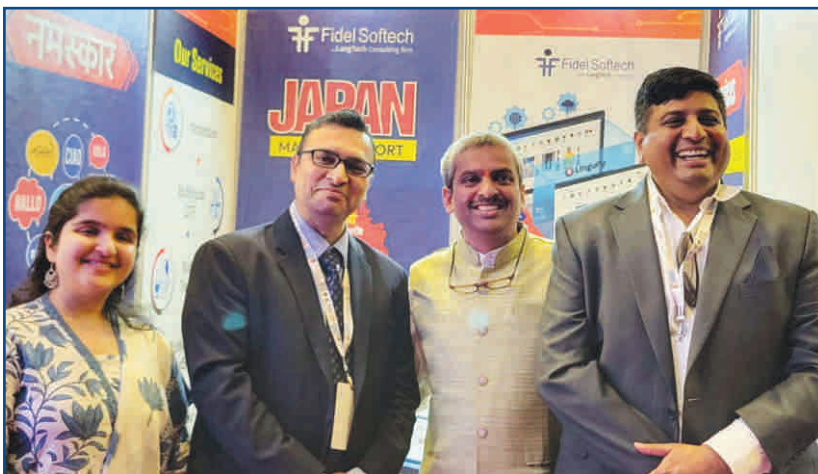
OUTREACH PROGRAMMS



TechSparks-2024



BankTechX 2024



Global Entrepreneurs Conclave-2025



CitLoB-2024



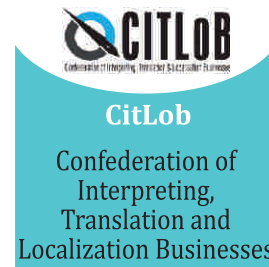
Gala-2024

Global Economic Summit-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:



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:

Sr. No.	Certifications	Description
1	ISO 9001:2015 Certification	Fidel's ISO 9001-certified Quality Management System (QMS), successfully recertified in FY 2024–25, ensures consistent service delivery and high customer satisfaction
2	ISO/IEC 27001 Certification	Fidel's ISO/IEC 27001-certified Information Security Management System (ISMS), recertified in FY 2024–25, ensures robust data protection and compliance with international security standards.
3	ISO 17100:2015 Certification	Fidel is ISO 17100 certified for Translation services Requirements for Translation services (the only company in Asia/India to have this certification).
4	ISO 18587:2017 Certification	Fidel is ISO 18587:2017 certified for Translation services –Post-editing of machine translation output – Requirements.

CSR ACTIVITIES

PROMOTING EDUCATION – THINKSHARP FOUNDATION

Thinksharp Foundation: With the increasing demand for solar energy solutions and government initiatives to promote renewable energy, there is a pressing need for skilled professionals in the solar industry. However, many youths, particularly those from marginalized communities, lack access to quality training and employment opportunities. This program will bridge that gap by equipping participants with the knowledge and skills required to either secure employment or start their own solar ventures.

PCET

The Pimpri Chinchwad Education Trust (PCET) was established by the Late Shri. S.B. Patil in the September of 1990. Its sole mission was aimed at serving society, the industry and all stakeholders through value-inculcating, quality education in the area of schooling, as well as professional tutelage in the fields of engineering, management and computer applications.

As part of our commitment to education and social upliftment, **Fidel extended support to PCET by providing hostel fees and mess facilities to needy students**, enabling them to pursue their academic aspirations without financial burden.



CSR - Aseem Foundation - Yarn Bank in Manipur



CSR-blind girl school-March 2025



Shrikant movie premiere



CSR Activity 2025 thinksharp solar
SM Joshi college

CSR ACTIVITIES

VIDYARTHI SAHAYAK SAMITI-

Sponsoring a student as a guardian:

Vidyarthi Sahayyak Samiti, a registered Public Trust engaged in social services in Education for 68 years. The main objective of the trust is to support the meritorious students coming from economically weaker sections of the society having a rural background to complete their higher education in Pune. It is necessary to support these students to get equal opportunity to grow with their peers from urban area and contribute to poverty alleviation in rural India

POORNAM ECOVISION FOUNDATION

Poornam Ecovision Foundation creates awareness about e-waste followed by the collection system through people participation is called E-yantran project. The increased purchasing rate, changing technologies and needs due to globalization have resulted in the generation of electronic waste in larger amounts than ever before. There is a need to manage this waste properly as some of it comes under hazardous waste. Unscientific disposal of E-waste results in environmental hazards and hence in turn it affects the health of animals & humans.

As part of this initiative, 32 computers have been refurbished, extending their lifecycle and reducing environmental impact, while also enabling access to digital tools for underserved communities.

ASEEM FOUNDATION

Rural Development Projects

Manipur, located in the northeastern region of India, is renowned for its rich cultural heritage, scenic landscapes, and vibrant

traditions. Despite its cultural wealth, the state has faced significant socio-economic challenges and periods of political unrest, which have hindered its development and impacted the lives of its residents, particularly the youth and women. Limited economic opportunities, lack of access to quality education, and ongoing ethnic conflicts have exacerbated the difficulties faced by these groups.

NATIONAL FEDERATION OF THE BLIND MAHARASHTRA

The NFBM is one of the premiere registered social organization, which is 'Of the blind', 'For the blind', and successfully run 'By the blind'. It is the single largest self-help democratic group of the blind, representing approximately 9 lakh visually challenged people of the Maharashtra State. NFBM is struggling to achieve equality of opportunities for visually impaired persons (VIP's) in the fields of education, training, rehabilitation, employment generation and entrepreneur development. We run several projects, which are located at Mumbai (H.Q.), Pune, Nasik, Aurangabad, Nagpur, Amaravati, Nanded, Jalna, Jalgaon & Kolhapur.

SHAREHOLDING AND INVESTOR COMMUNICATION

The Company maintains a transparent and proactive approach toward investor communication, ensuring timely and accurate dissemination of financial and operational information. As of the end of the financial year 2025, the shareholding pattern remains diversified with a healthy mix of promoters, institutional, and public shareholders. The Company has complied with all applicable regulatory requirements related to disclosures. Regular updates are shared through stock exchange filings and

investor presentations. We value the trust of our shareholders and are committed to maintaining a strong and open dialogue with all stakeholders.

Our proactive engagement with investors reflects our focus on building long-term trust and fostering confidence in Fidel's growth strategy. Our top 10 shareholders have largely remained consistent over the years, reflecting their continued trust in the Company's performance and long-term growth potential.



Market snapshot as of 31 March 2025 share price 118.85

163 CR Market Capitalization	₹ 6.79 Earning Per Share	21% ROE
219.75 / 88.75 52 weeks high/low	95% (Base price 61) ROI from Issue price	27% ROCE

Although Fidel is listed on the SME platform where half-yearly result declarations are the regulatory norm we voluntarily publish our financial results on a quarterly basis as part of our commitment to transparency. Additionally, we host investor calls twice a year and conduct our Annual General Meeting (AGM) as per schedule.

We remain accessible to our investors and make every effort to accommodate meeting or call requests. Furthermore, we promptly communicate any significant developments such as new purchase orders, strategic MoUs, or expansion plans to ensure our investors are kept well-informed.

OUTLOOK

FY 2024–2025 marks Fidel's third consecutive year of consistent growth, reflecting the strength of our business model and the effectiveness of our strategic execution. Throughout the year, we maintained positive cash flows and continued to demonstrate steady improvements in Earnings Per Share (EPS), staying aligned with our goal of achieving double-digit EPS growth. At the beginning of the fiscal year, we set an ambitious growth target of 30–40%, and we are pleased to report that we successfully maintained this target with over 37% growth, along with a healthy improvement in Profit After Tax (PAT). Our financial position remains strong, supported by disciplined receivables management and continued focus on liquidity.

We also made meaningful progress in reversing currency-related losses compared to both the previous year and earlier quarters, contributing to greater financial stability. On the innovation front, we initiated the development of internal AI capabilities. These in-house use cases served as effective proof-of-concepts and have enabled new strategic discussions with clients around AI-driven solutions.

Our Hyderabad center continued to contribute through ongoing client engagements, while FY 2024–2025 also saw the first revenues generated from our U.S. subsidiary. As part of our broader global expansion strategy, we are actively encouraging new contracts to be routed through this 100% owned U.S. entity, strengthening our international presence.

Despite an increasingly complex global environment—driven by geopolitical

uncertainties and rapid advances in AI—we remain confident in our ability to achieve 30–40% growth, given our focused execution and adaptability. During the year, the Board of Directors approved the acquisition of Fidel Technologies KK, Japan. This strategic move strengthens our topline, unlocks cross-selling potential, and ensures better alignment and transparency for our shareholders.

In addition, we are evaluating select inorganic growth opportunities with a prudent and strategic lens exploring complementary capabilities, new market segments, and scalable solutions. We see high potential in areas such as managed services, AI-enabled offerings, e-learning localization, and enterprise-focused solutions. Concurrently, we continue to invest in enhancing our digital marketing presence and building a robust sales engine to support long-term growth.

While maintaining a cautiously optimistic outlook, our focus remains on strengthening our core competencies and expanding into new geographies through strategic partnerships. As we approach the third anniversary of our listing on June 10, we are aligning our operations and financials to meet the revised NSE criteria for migration to the Main Board and intend to pursue this transition in the near future.

As we look ahead, Fidel remains committed to sustainable, innovation-led growth anchored in operational excellence, client-centricity, and responsible governance. With a strong foundation in place, we are confident in our ability to seize emerging opportunities, navigate uncertainties, and continue delivering long-term value to our stakeholders.

Annexure III

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year Ended 31.03.2025

*[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, 2nd 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 31st March 2025 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 31st March 2025 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.
- (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

20th Annual Report

- (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 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, subject to the following observations:

1. During the year under audit, the company submitted form FC-GPR in respect of allotment to overseas investor made in year 2007, the same was rejected by Reserve Bank of India / AD Bank i.e. Bank of India for want of correct FIRC and KYC. Further, Bank of India vide its letter dated 7th December 2024 has expressed its inability to issue original FIRC and KYC as transaction being too old. As informed to me by the management, the Company has decided to approach Reserve Bank of India for compounding the delay in the said matter.
2. During the course of our Audit, we have observed that there are occasional delays in reporting certain required disclosures on NSE Emerge platform as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 through majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board as the case may be, while the dissenting members views are captured.

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 during the audit period:

- a) The company incorporated one Wholly Owned Subsidiary in USA under the name and style Fidelsoft Inc.

Abhijit Dakhawe

Company Secretary

FCS # 6126, CP # 4474

PR No. 5690/2024

UDIN: F006126G000212376

Place: Pune

Date: April 30, 2025

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, 2nd 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.

Abhijit Dakhawe
Company Secretary
FCS # 6126, CP # 4474
PR No. 5690/2024
UDIN: F006126G000212376

Place: Pune

Date: April 30, 2025

Annexure IV

FORM NO. AOC.2

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Form for disclosure of particulars of contracts/arrangements entered 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 has not entered any contract /arrangement /transaction with its related parties which is not in ordinary course of business or at Arm's length during Financial Year 2024-25

2. Details of contracts or arrangements or transactions at an arm's length basis –

No.	Particulars	Details	Details
(a)	Name(s) of the related party and nature of relationship	Fidel Technologies KK, Japan, Related Party under Section 2(76)(vi) of Companies Act, 2013	Fidel Consulting KK, Japan, Related Party under Section 2(76)(vi) of Companies Act, 2013
(b)	Nature of Contracts/arrangements/ transactions	Sale of Services	Sale of Services
(c)	Duration of the contracts/ arrangements/ transactions	On-going transactions	On-going transactions
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per Purchase order/Agreement	As per Purchase order/ Agreement
(e)	Date(s) of approval by the Board, if any	All the transaction are in the ordinary course of business and are at arm length basis.	All the transaction are in the ordinary course of business and are at arm length basis.
(f)	Amount paid as advances, if any	Nil	Nil

For and behalf of the 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: April 30, 2025
Place : Pune, India

Annexure V

Annual Report on CSR Activities for Financial Year ended March 31, 2025

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). - **INR 7,15,35,795/-**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **INR 14,30,715.90/-**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years – **NIL**

(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)] - **INR 14,30,715.90/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – **INR 14,34,000/-**

(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)] - **INR 14,34,000/-**

(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
14,34,000/-	0	NA	NA	0	NA

20th Annual Report

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	
NA							
	Total						

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
NA							

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
(Chairman CSR Committee)

Sd/-
Girish Desai
DIN 08328701
(Member)

Annexure VI

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, 2025

As on March 31, 2025	As on March 31, 2024
Chairman & Executive Director: 3.99:1 Managing Director: 3.99:1 # Non – Executive Directors: NA Median Remuneration is INR 9,01,992/-	Chairman & Executive Director: 4.48:1 Managing Director: 4.48:1 # Non – Executive Directors: NA Median Remuneration is INR 7,44,000/-

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, 2025

Name and Designation	% Increase in the remuneration	The ratio of remuneration to the median remuneration of the employees
Mr. Mandar Inamdar, Chief Financial Officer	7.50%	6.37:1
Mrs. Sneha Ratnaparkhi Company Secretary	5.50%	1.11:1

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

As on March 31, 2025	As on March 31, 2024
21%	34%

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

As on March 31, 2025	As on March 31, 2024
204	191

5. Average percentiles increase already made in the salaries of the employees other than the managerial personnel in the financial year 2024-25 was 13.21%.

6. It is hereby affirmed that the remuneration paid during the year ended 31st March, 2025 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, 2025

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

For and behalf of the 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: April 30, 2025
Place : Pune, India

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

Opinion

We have audited the Standalone Financial Statements of Fidel Softech Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss, Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the Standalone 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 31st March 2025, 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	Revenue Recognition (Refer note 20 of the accompanying Standalone 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.	Our audit procedures included the following: <ul style="list-style-type: none">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.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
		<ul style="list-style-type: none"> Assessed the appropriateness of accounting policies for unbilled revenue and their compliance with applicable accounting standards by testing samples of contracts and evaluating timing and measurement of revenue recognition. Reviewed management's estimates and assumptions for recognizing unbilled revenue, including billing schedules and customer acceptance.
2.	<p>Transaction with Related Parties (Refer note 30 of the accompanying Standalone Financial Statements)</p> <p>Revenue from transactions with related parties comprises around 27% (approximate) of revenues in FY 2024-25.</p> <p>Receivables and loans to related parties comprise around 20% of total assets as on 31 March 2025.</p> <p>Due to large volume of transactions with related parties this matter is considered as a key audit matter.</p>	<ul style="list-style-type: none"> Evaluated the completeness, adequacy and appropriateness of disclosures made in the Standalone Financial Statements of transactions (related parties) in accordance with the requirements of 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. 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.

Information Other than the Standalone 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 Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Standalone 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.
 - 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 Standalone 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 2025 taken on record by the Board of Directors, none of the directors are disqualified for the year ended 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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.
 - g) 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 no pending litigations which may have an impact on its financial position.
 - ii. 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 Standalone Financial Statements)
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The management has represented that, to the best of it’s 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 it’s 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 the dividend during the year in compliance of Section 123 of the Companies Act 2013. The final dividend paid by the Company during the year ended March 31, 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. (Refer Note 43 to the Standalone 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.

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.

20th Annual Report

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: 25108177BMJBPO6508

Pune, April 30, 2025

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 Standalone Financial Statements for the year ended 31st March 2025

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 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 ₹1 Crore which is less than limit prescribed of ₹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, 2025 is ₹3,32,08,753), 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.
 - 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 2025 for a period of more than six months from the date they became payable.
 - (c) 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 2025.
- (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-
- a. The Company has not defaulted in the repayment of loans or other borrowing or in the payment of interest thereon to any lender.
 - b. The Company has not been declared willful defaulter by any bank or financial institute or government or any government authority.
 - c. Company has not obtained any money by way of term loan during the year. Accordingly reporting under paragraph 3(ix) (c) is not applicable.
 - d. On an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not used funds raised on short term basis for long term purposes.
 - e. The Company has a subsidiary during the year but does not have any associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) and 3(ix)(f) of the Order is applicable for the subsidiary.
- (x) In our opinion and according to the information and explanations given to us:
- a. 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.
 - b. 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 Standalone Financial Statements, to the best of our knowledge and according to the information and explanations given to us:
- a. 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.
 - b. 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.
 - c. 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 Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us,
- a. The Company's internal audit system is commensurate with the size and nature of its business.
 - b. 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 31st March 2025 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 Standalone 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.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Anand Jog

Partner

Membership No.: 108177

UDIN: 25108177BMJBPO6508

Pune, April 30, 2025

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 Standalone 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 31st March 2025 in conjunction with our audit of the Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone 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 31st March 2025, 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: 25108177BMJBPO6508

Pune, April 30, 2025

20th Annual Report

Standalone Balance sheet as at 31st March 2025

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	1,375.06	1,375.06
Reserves and surplus	4	3,149.78	2,374.75
		4,524.84	3,749.81
Non-current liabilities			
Long Term Provisions	5	224.88	170.33
		224.88	170.33
Current liabilities			
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises; and		11.36	6.07
Total outstanding dues to Creditors other than Micro and Small Enterprises		180.44	160.16
Other current liabilities	8	318.63	286.19
Short Term provisions	9	47.30	29.64
		557.73	482.06
TOTAL		5,307.45	4,402.20
ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
Property, Plant and Equipment	10	14.09	12.76
Intangible Assets	10	2.00	5.42
Deferred tax assets (net)	11	74.53	59.43
Non Current Investments	12	42.86	-
Long term loans and advances	13	252.09	255.53
Other Non Current Assets	14	108.70	327.58
		494.27	660.72
Current assets			
Current investments	15	2,186.95	1,567.32
Trade receivables	16	1,602.80	1,205.14
Cash and bank balances	17	768.59	352.26
Short-term loans and advances	18	251.78	568.93
Other current assets	19	3.06	47.83
		4,813.18	3,741.48
Total		5,307.45	4,402.20

Summary of Material Accounting Policies

2

Notes to the Financial Statements

3-51

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

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

Anand Jog
Partner
Membership No.: 108177
Place: Pune
Date: April 30, 2025

Sunil Kulkarni
Director
DIN: 00752937
Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Mandar Inamdar
Chief Financial Officer
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

Standalone Statement of Profit and Loss for the year ended 31 March 2025

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March 2025	Year Ended 31 March 2024
Revenue			
Revenue from operations	20	5,480.54	4,009.12
Other income	21	98.20	93.89
Total Income		5,578.74	4,103.01
Expenses			
Cost of Services	22	1,656.89	1,179.48
Employee benefits expense	23	2,302.21	1,699.74
Finance costs	24	-	-
Depreciation and amortization expense	10	15.82	21.77
Other expenses	25	362.34	399.89
Total expenses		4,337.26	3,300.88
Profit before exceptional items and tax		1,241.48	802.13
Exceptional items:			
Profit before tax		1,241.48	802.13
Tax expense			
Current tax		325.65	199.54
Short/ (Excess) provision of earlier years (net)		4.64	(4.67)
Deferred tax		(15.10)	1.32
Profit for the year		926.29	605.94
Earnings per share (Face value of ₹10 each)			
Basic and diluted (₹)	26	6.74	4.41
Summary of significant accounting policies	2		
Notes to the financial statements	3-51		

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: April 30, 2025

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

Sunil Kulkarni
Director
DIN: 00752937
Place: Pune
Date: April 30, 2025

Mandar Inamdar
Chief Financial Officer
Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

20th Annual Report

Statement of Standalone Cash Flow for the year ended March 31,2025

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Cash flow from operating activities:		
Profit before tax	1,241.48	802.13
Adjustments for:		
Depreciation and amortisation expenses	15.82	21.77
Interest income	(58.16)	(55.24)
Loss/(profit) on assets sold	-	(0.09)
Loss / (profit) on sale of investments	(3.88)	(28.36)
Bad Debt (Inclusive of Provision for Doubtful Debt)	(4.33)	15.54
Sundry Balances Written back	(0.71)	(4.83)
Excess Provision Written back	-	(0.54)
Impairment Loss on Investment	-	0.15
Unrealised Foreign Exchange Gain/Loss	-	11.89
Income from Dividend	-	(1.40)
	(51.26)	(41.09)
Operating (loss)/profit before working capital changes	1,190.22	761.04
Adjustment for changes in working capital:		
Decrease/(Increase) in Trade receivables	(393.32)	(258.77)
Decrease/(Increase) in Short-term loans and advances	253.90	(122.30)
Decrease/(Increase) in Other current assets	32.60	(4.08)
Increase/(Decrease) in Long Term Provisions	54.55	6.48
Increase/(Decrease) in Trade payables	26.26	45.36
Increase/(Decrease) in Other current liabilities	32.44	103.57
Increase/(Decrease) in Short-term provisions	17.66	(4.24)
Cash (used in) operations	1,214.31	527.07
Income tax paid	(307.97)	(236.96)
Net cash (used in) operating activities (A)	906.34	290.11
Cash flow from investing activities:		
Purchase of tangible fixed assets	(13.73)	(8.85)
Sale of Fixed Assets	-	0.48
Interest received on bank deposits	32.20	27.48
Proceeds from sale/(purchase) of investments	(619.62)	(151.11)
Proceeds from sale/(purchase) of non current investments	(42.86)	-
Proceeds from sale/(purchase) of Non Current Deposits	218.89	(228.61)
(Increase)/ Decrease in Current Deposits	(49.11)	204.39
(Increase)/ Decrease in Loans given	46.17	98.03
Interest received on intercorporate loans	36.32	17.34
Profit earned on sale of investments	3.88	28.36
Income from dividend	-	1.40
Net cash (used in) / generated from investing activities (B)	(387.86)	(11.08)

(Contd.)

Statement of Standalone Cash Flow for the year ended March 31,2025 (Contd.)

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Cash flow from financing activities:		
Dividend Paid	(151.26)	(96.25)
Net cash (used in) / generated from financing activities (C)	(151.26)	(96.25)
Net (decrease) / increase in cash and cash equivalents (D=A+B+C)	367.22	182.78
Cash and cash equivalents:		
At the beginning of the year (refer note 17(A) for detailed breakup)	299.14	116.36
At the end of the year (refer note 17 (A) for detailed breakup)	666.38	299.14
Cash & Cash equivalents breakup:		
Cash on hand	0.81	0.34
Balances with banks	665.56	298.80

The above Statement of Cash flows has been prepared under the 'Indirect Method' as set out in AS3, 'Statement of Cash Flows'.

Previous Year 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: April 30, 2025

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

Sunil Kulkarni
Director
DIN: 00752937
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Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

Notes to the financial statements (continued)

1. Corporate Information

Fidel Softech Private Limited was incorporated on 24th 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, now named as Fidel Softech Limited. It was listed on SME Platform of National Stock Exchange of India Ltd. (NSE EMERGE) on 10th 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.

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

Notes to the financial statements (continued)

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 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 measure at the present value of the estimated future cash flows. The discount rates used for

Notes to the financial statements (continued)

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

i) 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.

j) (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.

(i) 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.

k) 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

Notes to the financial statements (continued)

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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

20th Annual Report

Notes to the financial statements (continued)

3. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	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
Total	13,750,560	1,375.06	13,750,560.00	1,375.06

3.1 Reconciliation of shares outstanding

Particulars	As at 31 st March 2025		As at 31 March 2024	
	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	13,750,560	1,375.06
Bonus Shares Issued during the year	-	-	-	-
Equity Shares Issued during the year	-	-	-	-
At the end of the year	13,750,560	1,375.06	13,750,560	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

- On show of hands, every member present in person shall have one vote;
- 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 st March 2025		As at 31 st March 2024	
	Number of shares	% held	Number of shares	% held
Equity Shares				
Sunil Sudhakar Kulkarni	7,626,996	55.47%	7,599,996	55.27%
Prachi Sunil Kulkarni	2,407,000	17.50%	2,405,000	17.49%

Equity share movement during five years preceeding 31st March 2025

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 31 st March 2025			As at 31 March 2024		
	Number of shares	% held	% change in shareholding	Number of shares	% held	% change in shareholding
Sunil Sudhakar Kulkarni	7,626,996	55.47%	0.20%	7,599,996	55.27%	0%
Prachi Sunil Kulkarni	2,407,000	17.50%	0.01%	2,405,000	17.49%	0%

4. Reserves and surplus

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance in the Statement of Profit and Loss		
At the commencement of the year	2,374.75	1,865.07
Add: Profit/Loss for the year	926.29	605.94
Less: Dividend Paid during the year	(151.26)	(96.25)
Balance in the statement of profit and loss	3,149.78	2,374.75
Total	3,149.78	2,374.75

5. Long term provisions

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Compensated absences (Refer note 31)	44.38	34.81
Gratuity (Refer note 31)	180.50	135.52
Total	224.88	170.33

6. Short term Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Secured		
Loan repayable on demand		
Total	-	-

7. Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Outstanding dues to Micro and Small Enterprises	11.36	6.07
Total Outstanding dues to Creditors other than Micro and Small Enterprises	180.44	160.16
Total	191.80	166.22

20th Annual Report

Notes to the financial statements (continued)

(₹ in lakhs)

Trade Payable Aging Schedule for the Financial Year 2024-25

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment as on 31 st March 2025				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	11.36	-	-	-	-	11.36
Others	-	173.20	3.75	3.19	0.23	0.05	180.44
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-	-	-
Total :	-	184.56	3.75	3.19	0.23	0.05	191.80

Trade Payable Aging Schedule for the Financial Year 2023-24

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment as on 31 st 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	-	-	-	-	-	-	-
Total :	-	102.52	62.22	0.66	0.71	0.10	166.22

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 recorded.

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

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.35	6.07
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.03

8. Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable:	48.67	37.98
Employee Dues Payable	145.53	130.77
Unclaimed Dividend	1.50	0.59
Advance from Customers	1.80	0.94
Interest Payable for MSME Vendors	-	0.03
Provision for other expenses	119.65	114.90
Other Liabilities	1.48	0.99
Total	318.63	286.19

Notes to the financial statements (continued)

9. Short-term provisions

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits:		
Compensated absences (Refer note 31)	12.44	8.13
Gratuity (Refer note 31)	34.86	21.52
Total	47.30	29.64

Notes to the financial statements (continued)

10. 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 2024	Additions/ Adjustments	Deletions/ Transfer/ Adjustments	Gross carrying Value as on 31 st March 2025	Balance as at 1 April 2024	Depreciation charge for the year	Impairment loss	Deletions/ Transfer/ Adjustment	Balance as at 31 st March 2025	Net carrying value as at 31 March 2025	Net carrying Value as at 31 March 2024
(1)	Property, Plant and Equipment:											
	Computers & Peripherals	85.29	13.73	-	99.02	73.67	11.95	-	-	85.62	13.40	11.62
	Computers on Lease	33.79	-	-	33.79	33.79	-	-	-	33.79	-	-
	Office & Other Equipments	4.70	-	-	4.70	3.56	0.45	-	-	4.01	0.69	1.14
(2)	Intangible assets:											
	Software - Licences	25.39	-	-	25.39	19.97	3.42	-	-	23.39	2.00	5.42
	Total	149.17	13.73	-	162.89	130.99	15.82	-	-	146.81	16.09	18.18

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 st March 2024	Balance as at 1 April 2023	Depreciation charge for the year	Impairment loss	Deletions/ Transfer/ Adjustment	Balance as at 31 st March 2024	Net carrying value as at 31 March 2024	Net carrying Value as at 31 March 2023
(1)	Property, Plant and Equipment:											
	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)	Intangible assets:											
	Software - Licences	18.69	6.70	-	25.39	15.04	4.93	-	-	19.97	5.42	3.66
	Total	148.29	8.85	7.97	149.17	116.79	21.77	-	7.57	130.99	18.18	31.50

Notes:

- a) 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.
- b) Company has not revalued any property, plant and equipment as well as intangible assets during the year.

Notes to the financial statements (continued)

11. Deferred tax Liabilities/Assets

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred Tax Asset on :		
Depreciation	5.86	7.09
Provision for Employee benefits	68.50	50.33
Other Disallowances	0.17	2.01
Deferred tax (Liability)/Asset [Net]	74.53	59.43

12. Non Current Investments

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Non Current Investments		
Investments in Equity Instruments (unquoted)		
LinguaSol Private Limited (1500 shares of face value ₹10 each) (Refer Note 30)	-	0.15
FidelSoft Inc USA (5 Million Shares of face value of USD 0.01 each)	42.86	-
Less :Impairment	-	(0.15)
Total	42.86	-

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.

13. Long Term Loans and Advances

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured and considered good unless otherwise stated)		
Loan to Related Party. (Refer Note 30)	252.09	255.53
Total	252.09	255.53

14. Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Secured, considered good:		
Bank deposits more than 12 months:		
Other Deposits in Bank	63.60	282.49
Other Deposits	45.10	45.10
Total	108.70	327.58

20th Annual Report

Notes to the financial statements (continued)

15. Current Investments

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Current Investments		
Mutual Funds (Refer Note 34)	2,186.95	1,567.32
Total	2,186.95	1,567.32

16. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
Undisputed-		
Considered good	1,602.80	1,205.14
Considered doubtful	0.67	7.87
Less: Provision for doubtful debts	(0.67)	(7.87)
Disputed -		
Considered good	-	-
Considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Total	1,602.80	1,205.14

Trade Receivable Aging Schedule for FY 2024-25

(₹ 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	
Considered Good								
Undisputed	1.40	1,169.46	246.67	29.68	63.35	64.42	29.22	1,602.80
Disputed	-	-	-	-	-	-	-	-
Sub Total (i)	1.40	1,169.46	246.67	29.68	63.35	64.42	29.22	1,602.80
Considered doubtful								
Undisputed	-	-	-	-	0.67	-	-	0.67
Disputed	-	-	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	0.67	-	-	0.67
Less: Provision for Doubtful Debts	-	-	-	-	(0.67)	-	-	(0.67)
Sub Total (iii)	-	-	-	-	(0.67)	-	-	(0.67)
Total (i+ii+iii)	1.40	1,169.46	246.67	29.68	64.68	64.42	29.22	1,602.80

Notes to the financial statements (continued)

Trade Receivable Aging Schedule for FY 2023-24

(₹ 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	
Considered Good								
Undisputed	7.92	391.73	700.90	5.37	73.59	22.08	11.46	1,205.14
Disputed								-
Sub Total (i)	7.92	391.73	700.90	5.37	73.59	22.08	11.46	1,205.14
Considered doubtful								
Undisputed	-	-	-	6.27	1.59	0.01	-	7.87
Disputed	-	-	-	-	-	-	-	-
Sub Total (ii)	-	-	-	6.27	1.59	0.01	-	7.87
Less: Provision for Doubtful Debts	-	-		(6.27)	(1.59)	(0.01)	-	(7.87)
Sub Total (iii)	-	-	-	(6.27)	(1.59)	(0.01)	-	(7.87)
Total (i+ii+iii)	-	391.73	700.90	5.37	73.59	22.08	11.46	1,205.14

17. Cash and bank balances

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents		
Cash on hand	0.81	0.34
Balances with banks		
-on current accounts	356.51	249.52
-bank deposits with remaining maturity less than three months	307.55	48.69
-dividend accounts	1.50	0.59
(A) Subtotal	666.37	299.14
Other bank balances	-	-
-bank deposits with remaining maturity more than three months and less than twelve months.	102.22	53.12
(B) Subtotal	102.22	53.12
Total (A+B)	768.59	352.26

Details of bank balances/deposits	As at 31 March 2025	As at 31 March 2024
Bank balances available on demand/deposits with remaining maturity of 3 months or less included under 'Cash and cash equivalents'.	664.07	298.21
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'.	102.22	53.12
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	63.60	282.49
Total	829.89	633.82

20th Annual Report

Notes to the financial statements (continued)

18. Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Balance with Government Authorities		
b) GST Authorities	111.94	336.14
Prepaid expenses	32.38	25.26
Advance income tax and tax deducted at source (net of provisions)	21.56	42.09
Loan to Related Party. (Refer Note 30)	80.00	122.73
Other Deposits	5.90	42.71
Total	251.78	568.93

19. Other current assets

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good unless otherwise stated)		
Unbilled revenue	1.40	7.92
Advances to Employees	1.03	5.97
Advances to Suppliers	0.63	21.77
Interest accrued on intercorporate loan	-	11.34
Interest accrued on Fixed Deposit	-	0.82
Total	3.06	47.82

20. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Domestic Sales & Services	283.23	162.87
Export Sales & Services	5,197.31	3,846.24
Total	5,480.54	4,009.12

Notes to the financial statements (continued)

21. Other income

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Interest on Deposits	31.38	26.56
Interest on Loan	24.98	28.68
Short Term Capital Gain	3.04	12.47
Miscellaneous Income	36.17	8.81
Interest Received on Income Tax Refund	1.79	-
Dividend income	-	1.40
Long Term Capital Gain	0.84	15.88
Profit on Sale of Asset	-	0.09
Total	98.20	93.89

22. Cost of Services

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Broadband & Other Direct Expenses	40.50	29.61
Computer Rent	80.87	39.03
Office Rent	149.50	131.98
Professional Fees	1,386.02	978.86
Total	1,656.89	1,179.48

23. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Salaries, allowances and bonus	2,134.74	1,543.48
Salaries, allowances and bonus - Directors	72.00	72.00
Contribution to Provident and other Funds (also refer Note 31)	61.13	58.21
Staff welfare expenses	34.34	26.05
Total	2,302.21	1,699.74

24. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Interest on loan	-	-
Total	-	-

20th Annual Report

Notes to the financial statements (continued)

25. Other expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Legal and professional fees	167.04	96.42
Director Sitting Fees	4.50	3.30
Travelling and Conveyance expenses	50.35	84.12
License Fees	20.87	21.61
Rates and taxes	8.67	5.37
Courier Charges	0.48	1.48
Insurance Charges	0.80	-
Bank Charges	4.96	8.27
Office Expenses	7.47	2.99
Advertising and Marketing Expense	25.32	38.71
Payment to auditors	9.18	9.32
Printing and Stationery	2.42	3.23
Brokerage and Commission	5.30	-
Bad Debts (write back)	(4.33)	15.54
Prior Period Expense (Refer Note 36)	0.29	0.36
Foreign Exchange Gain and Loss	31.44	84.99
CSR Expenses	14.34	12.04
Telephone Expenses	0.78	0.73
Miscellaneous Expenses	12.46	11.41
Total	362.34	399.89

26 Earnings per share

(₹ in lakhs)

Particulars		Year Ended 31 March 2025	Year Ended 31 March 2024
Net profit for the year attributable to equity shareholders	A	926.29	605.94
			-
Weighted average number of equity shares of face value of Rs 10 each outstanding during the year	B	13,750,560.00	13,750,560.00
Basic and Diluted profit per equity share of face value Rs 10 each (in INR)	(A/B)	6.74	4.41

Notes to the financial statements (continued)

27 Auditors' remuneration

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
As auditor		
Statutory audit	5.70	5.70
Tax audit	1.20	1.20
For Other Services	2.13	2.00
Out of Pocket Expenses	0.15	0.42
Total	9.18	9.32

28 Earnings in foreign currency (accrual basis)

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Sale of Services		
- Underwriter Translation	3,482.86	2,243.40
- IT Services	1,714.45	1,602.84
	-	-
Total	5,197.31	3,846.24

29 Expenses in foreign currency (accrual basis)

(₹ in lakhs)

Particulars	Year Ended 31 March 2025	Year Ended 31 March 2024
Professional Fees	583.09	507.25
Licence Fees	21.76	22.30
Membership and Sponsorship Fees	5.41	2.62
Travelling spend	14.78	5.23
Marketing spend	0.65	2.82
Others	3.32	7.21
Total	629.01	547.44

20th Annual Report

Notes to the financial statements (continued)

30 Related party disclosures

(₹ in lakhs)

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)
- 5 Neha Joshi (Company Secretary) till date 30th October 2023

b) Enterprises under Common Control

- 1 Fidel Technologies KK Japan
- 2 Fidel Consulting KK Japan
- 3 CoolPro International Private Limited
- 4 LinguaSol Private Limited
- 5 FidelSoft INC (USA) -100% Wholly Owned Subsidiary (WOS)

c) Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Nature of transaction	Year ended 31 st March 2025	Year ended 31 st March 2024
1	Fidel Consulting KK Export of Sevices	530.26	492.69
2	Fidel Technologies KK Export of Services Reimbursement (Paid/Payable)/Receivable (net)	926.23 (474.51)	848.82 (165.09)
3	Linguasol Private Limited Loan to Linguasol - Repayment receipts Interest on loan Office Rent income	(80.00) 24.98 4.00	(112.50) 28.68 1.50
4	CoolPro International Private Limited Domestic Professional Services	5.58	4.73
5	Sunil Kulkarni Directors Remuneration Dividend Paid	36.00 83.60	36.00 53.20
6	Prachi Kulkarni Directors Remuneration Dividend Paid	36.00 26.48	36.00 16.82
7	Mandar Inamdar Remuneration	47.82	48.55
8	Sneha Ratnaparkhi Remuneration	9.16	3.04
9	Neha Joshi Remuneration	-	7.04
10	FidelSoft INC (USA) Export of Services Total	10.28 1,185.88	- 1,299.47

Notes to the financial statements (continued)

d) Amount due to/from related parties

(₹ in lakhs)

Sr. No.	Nature of transaction	Year ended 31 st March 2025	Year ended 31 st March 2024
		Amount	Amount
1	Receivables (Net)		
	Linguasol Private Limited		
	Loan to Linguasol (Receivable)	332.09	378.26
	Interest accrued on loan (Receivable)	-	11.34
	Software Professional Service, Underwriter Translation & Manpower Recruitment Services (Receivable)	93.65	97.97
	Fidel Consulting KK		
	Export of Services	138.39	70.69
	Fidel Technologies KK		
	Export of services	482.54	348.13
	Coolpro International Pvt Ltd		
	Software Professional Service (Receivable)	0.09	0.46
	Prachi Kulkarni		
	Advance Receivable	-	5.31
	FidelSoft INC (USA)		
	Software Professional Service (Receivable)	10.28	-
	Total Receivable	1,057.04	912.17
2	Payable (Net)		
	Remuneration Payable to Prachi Kulkarni	2.36	2.34
	Remuneration Payable to Sunil Kulkarni	2.36	2.34
	Reimbursement Payable to Sunil Kulkarni	0.05	7.27
	Reimbursement Payable to Prachi Kulkarni	0.13	-
	Remuneration Payable to Sneha Ratnaparkhi	0.66	0.68
	Remuneration Payable to Mandar Inamdar	2.49	2.20
	Trade Payable to Fidel Technologies KK Japan	35.77	51.94
	Total Payable	43.82	66.75
3	Investment in Equity Shares		
	FidelSoft INC (USA)	42.86	-
	Total	42.86	-

31 Employee Benefits

b) Defined contribution plans

The Company has recognized INR 60,11,191 (2024: INR 55,93,320) towards provident fund, INR 25050 (2024: INR 11,076) towards labour welfare fund and INR 76,929 (2024: INR 2,16,701) towards employee state insurance in the Statement of Profit and Loss.

Defined benefit plans

c) 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:

20th Annual Report

Notes to the financial statements (continued)

Particulars	31-Mar-25	31-Mar-24
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.60%	7.20%
Rate of increase in compensation levels	10%	15%
Expected average remaining working lives of employees (in years)	4.84	4.85
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-25	31-Mar-24
Present Value of Benefit Obligation at the Beginning of the Period	157.04	148.02
Interest Cost	11.17	10.71
Past Service Cost		
Service cost Curtailment	40.86	35.33
Actuarial (Gains)/Losses on Obligations	10.19	(34.55)
Benefits Paid	(3.90)	(2.47)
Present Value of Benefit Obligation at the End of the Period	215.36	157.04

		(₹ in lakhs)
Expenses Recognized in the Statement of Profit or Loss for Current Period	31-Mar-25	31-Mar-24
Current Service Cost	40.86	35.33
Net Interest Cost	11.17	10.71
Actuarial (Gains)/Losses	10.19	(34.55)
Expenses Recognized in the Statement of Profit or Loss	62.22	11.49

Notes to the financial statements (continued)

	(₹ in lakhs)	
Balance Sheet Reconciliation	31-Mar-25	31-Mar-24
Opening Net Liability	(157.04)	(148.02)
Expense Recognized in Statement of Profit or Loss	(62.22)	(11.49)
(Benefit Paid Directly by the Employer)	3.90	2.47
Net Liability/(Asset) Recognized in the Balance Sheet	(215.36)	(157.04)

Leave Encashment:

Data Summary	31-Mar-25	31-Mar-24
Number of Employees	204	191
Total Salary (Leave Encashment)	73.54	51.95
Total Salary (Leave Availment)	190.56	158.39
Average Age	34.5	34.01
Average Past Service	3.74	3.49
Total Leave Days	0.03	0.03

	(₹ in lakhs)	
Valuation Results	31-Mar-25	31-Mar-24
Discontinuance Liability	49.93	31.05
Projected Benefit Obligation	56.82	42.94

	(₹ in lakhs)	
Current & Non-Current Liability	31-Mar-25	31-Mar-24
Funding Status		Unfunded
Unfunded		
Fund Balance	N.A.	N.A.
Current Liability **	12.44	8.13
Non-Current Liability	44.38	34.81

Valuation Assumptions	31-Mar-25	31-Mar-24
(i) Financial Assumptions		
Salary Escalation Rate		
For first year	00.00% p.a.	00.00% p.a.
For subsequent years	10.00% p.a.	15.00% p.a.
Discount Rate	6.60% p.a.	7.20% p.a.
	(Indicative G. Bonds referenced on 31-03-2025)	(Indicative G. Bonds referenced on 31-03-2024)
(ii) Demographic Assumptions		
Indian Assured	Mortality Rate Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality 2012-14 Ultimate

20th Annual Report

Notes to the financial statements (continued)

32 Operating Lease

(₹ in lakhs)

Particulars	31 March 2025 Amount	31 March 2024 Amount
Lease payment debited to Statement of Profit & Loss (Net of GST)	230.37	171.01

33 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-25	31-Mar-25	31-Mar-24	31-Mar-24
Trade Receivables	EUR	5.76	529.07	4.39	394.75
Trade Receivables	JPY	1,143.19	649.33	762.76	419.92
Trade Receivables	GBP	-	-	0.03	2.75
Trade Receivables	USD	2.21	190.03	2.13	177.82
Trade Payables	USD	0.05	4.97	0.45	37.77
Trade Payables	JPY	62.98	35.77	94.34	51.94
Trade Payables	CAD	0.05	2.86	0.04	2.49
Trade Payables	EUR	0.00	0.04	-	-

Notes to the financial statements (continued)

34 Investments

A) 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 st March 2025	Per Unit value (31 st March 2025) ₹	Market Value as on 31 st March 2025	Book Value as on 31 st March 2025	Market Value as on 31 st March 2024	Book Value as on 31 st March 2024
1	Aditya Birla Sun Life Banking and PSU Debt Fund Regular Plan Growth (Erstwhile Aditya Birla Sun Life Treasury Optimisier)	33,898	358.88	121.66	99.99	112.47	99.99
2	Aditya Birla Sun Life Savings Fund Growth	1,127	537.333	6.05	5.07	5.62	5.07
3	Axis Corporate Debt Fundgrowth (Erstwhile Axis Corporate Debt Opportunities)	428,439	16.68	71.46	58.83	70.85	62.99
4	DSP Bond Fund Retail Plan Growth	53,065	80.00	42.45	34.74	39.15	34.74
5	HDFC Corporate Bond Fund Regular Plan Normal Dividend (Erstwhile HDFC Corporate Bond Normal) - DP	-	-	-	-	20.71	20.00
6	HDFC Income Fund - Growth	277,601	57.26	158.96	129.99	146.47	129.99
7	HSBC Short Duration Fund Regular Plan Growth (Erstwhile HSBC Short Term Bond Fund - Regular Plan - Growth	466,856	25.86	120.74	100.00	111.77	100.00
8	ICICI Prudential All Seasons Bond Fund Growth (Erstwhile ICICI prudential long term)	659,610	36.22	238.91	205.08	150.00	135.08
9	ICICI Prudential Banking and PSU Debt Fund Growth	197	32.05	0.06	0.04	0.06	0.04
10	ICICI Prudential Short Term Fund Growth Option (Erstwhile Icici Prudential Short Term)	475,676	58.83	279.83	229.99	258.94	229.99
11	Kotak Balanced Advantage Fund Regular Plan Growth	-	-	-	-	21.89	21.22
12	Kotak Corporate Bond Fund Regular Plan Growth	3,160	3,688.45	116.57	95.45	107.45	95.45
13	Kotak Dynamic Bond Fund Regular Plan Growth (Erstwhile Kotak Flexi Debt Fund)	1,130,944	36.87	416.99	374.99	198.60	184.99
14	NIPPON INDIA Dynamic Bond Fund Growth Plan Growth Option	1,754,827	36.43	639.20	604.99	209.70	199.99
15	NIPPON INDIA Short Term Fund - Growth Plan	146,193	51.58	75.41	64.78	69.66	64.78
16	NIPPON INDIA Ultra Short Duration Fund Growth (Erstwhile NIPPON INDIA Liquid Cash)	2,832	3,956.46	112.03	100.00	104.50	100.00
17	Sbi Short Term Debt Fund Regular Plan Growth	273,829	31.40	85.97	68.00	79.56	68.00
18	Sundaram Corporate Bond Fund - Regular - Growth	53,515	39.30	21.03	15.00	19.41	15.00
				-	-	-	-
	Total			2,507.32	2,186.95	1,726.80	1,567.32

20th Annual Report

Notes to the financial statements (continued)

35 Ratios

(₹ in lakhs)

Ratios	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance*
Current Ratio	Current Assets	Current Liabilities	8.63	7.76	11%	
Debt-Equity Ratio	Debt	Equity	NA	NA	0%	
Debt Service Coverage Ratio	Net Operating Income	Debt Service	NA	NA	0%	
Return on Equity Ratio	Net Income	Shareholder's equity	0.20	0.16	27%	Variance is due to higher net profit and revenues during the current year
Trade payables turnover ratio	Total Purchases	Average of Trade Payables	11.28	10.76	5%	
Trade Receivables turnover ratio	Net Credit Sale	Average of Trade Receivables	3.90	3.68	6%	
Net capital turnover ratio	Net Sales	Working Capital	1.29	1.23	5%	
Net profit ratio	Net Profit	Total Sales	0.17	0.15	12%	
Return on Capital employed	EBIT	Networth + Total Debt + DTL	0.28	0.22	28%	Variance is due to higher Net Profit and Revenues
Return on investment	Gain on investments	Average Investment	0.02	0.03	-50%	Realised Gains on investment are lower due to lower Redemptions of Investments

36 Prior Period Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Miscellaneous Expense	0.29	0.36
Total	0.29	0.36

Notes to the financial statements (continued)

37 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)

	Particulars	Year Ended 31 March 2025			Year Ended 31 March 2024		
		Geographical Segments			Geographical Segments		
		India	Outside India	Total	India	Outside India	Total
A	Segment Revenue						
	Total Sales	283.23	5,197.31	5,480.54	162.87	3,846.24	4,009.12
	Total Revenue	283.23	5,197.31	5,480.54	162.87	3,846.24	4,009.12
B	Segment Assets						
	Segment Assets	236.43	1,408.82	1,645.25	255.05	1,003.93	1,258.98
	Unallocated assets	-	-	3,662.20	-	-	3,143.23
	Total Assets	236.43	1,408.82	5,307.45	255.05	1,003.93	4,402.20

38 Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Amount required to be spent during the year	14.31	12.04
(b) Amount of expenditure incurred	14.34	12.04
(c) Shortfall / (Excess) at the end of the year	(0.03)	0.00
(d) Total of previous years shortfall	NA	NA
(e) Reasons for shortfall	NA	NA
(f) Nature of CSR activities: Promotion of education, contribution to incubators & ensuring environmental sustainability	Non-Project Expense	Non-Project Expense
(g) Details of related party transactions	NA	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.	NA	NA

39 There are no contingent liabilities as on 31st March 2025. (FY 2023-24 : Nil)

40 (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.

41 Long Term Loans and Advances

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	332.09	100%

Notes to the financial statements (continued)

(₹ in lakhs)

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.	332.09	-	-

The Company had granted unsecured long term loan to LinguaSol Private Limited ("LinguaSol") in earlier year/s out of which principal amount of ₹ 3,32,08,753 is outstanding till March 31, 2025. LinguaSol repaid ₹80,00,000 towards principal and interest in FY 2024-25. 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.

42 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.

43 Dividend Distribution made & proposed

Particulars	Year Ended 31 st March, 2025	Year Ended 31 st March, 2024
Cash Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2024: ₹1.1 /- per share (i.e. 11% of face value)	151.26	96.25
Total Dividend Paid	150.32	95.66

The Board of Director has recommended dividend of ₹ 2 /- per share i.e. 20% of Face Value for FY 2024-25 in the Board meeting held on 30.04.2025. This proposed dividend on equity shares are subject to approval at AGM and not recognised as liability on reporting date.

- 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 2024-25.
- Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2024-25.
- There are no capital commitments as at 31st March 2025.
- 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.
- There is neither creation nor modification of charge in the FY 2024-25.

Notes to the financial statements (continued)

- 49 The Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.
- 50 During the year ended March 31, 2025, 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.
- 51 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

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

Anand Jog
Partner
Membership No.: 108177
Place: Pune
Date: April 30, 2025

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: April 30, 2025

Mandar Inamdar
Chief Financial Officer

Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Managing Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

INDEPENDENT AUDITORS 'REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

We have audited the accompanying consolidated financial statements of Fidel Softech Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March, 2025, the consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Revenue Recognition (Refer note 20 of the accompanying Consolidated Financial Statements)</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
		<ul style="list-style-type: none"> Assessed the appropriateness of accounting policies for unbilled revenue and their compliance with applicable accounting standards by testing samples of contracts and evaluating timing and measurement of revenue recognition. Reviewed management's estimates and assumptions for recognizing unbilled revenue, including billing schedules and customer acceptance.
2.	<p>Transaction with Related Parties (Refer note 30 of the accompanying Consolidated Financial Statements)</p> <p>Revenue from transactions with related parties comprises around 27% (approximate) of revenues in FY 2024-25.</p> <p>Receivables and loans to related parties comprise around 20% of total assets as on 31 March 2025.</p> <p>Due to large volume of transactions with related parties this matter is considered as a key audit matter.</p>	<ul style="list-style-type: none"> Consolidated Financial Statements of transactions (related parties) in accordance with the requirements of 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. 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.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors and Management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors & the management of the companies included in the Group are responsible for assessing the ability of the Company 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.

The respective Board of Directors and the management of the companies included in the Group are responsible for overseeing the financial reporting process of the subsidiary.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 with reference to the consolidated financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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.

Other Matters

We have not audited the financial information of the subsidiary as of 31st March 2025. The subsidiary, being located outside India, has prepared its financial statements and other financial information in accordance with the accounting principles generally accepted in its respective country. As such, these financial statements have not been audited by us or by other auditors. The financial information of the subsidiary, when converted into Indian Rupees (INR), reflects Total Assets of ₹76,60,889, Share Capital of ₹42,85,500, Total Revenue of ₹33,85,692, and a Net Profit of ₹7,25,128 as at 31st March 2025.

The Holding Company's management has carried out the conversion of these financial statements to conform with accounting principles generally accepted in India. We have audited only the conversion adjustments made by the Holding Company's management. Accordingly, our opinion, in so far as it relates to the financial information of the subsidiary located outside India, is based solely on the conversion adjustments prepared by the management and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit,
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation

of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
- e) On the basis of the written representations received from the directors of the holding Company as on 31 March, 2025 taken on record by the Board of Directors of the holding Company, none of the directors of group are disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
- g) 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 Group did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - ii. The Group is not required to transfer any amount to the Investor Education and Protection Fund during the year ended 31 March 2025.
 - iii. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended
 - a. The management has represented that, to the best of it's 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 Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. Management has represented, that, to the best of it's knowledge and belief, 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 Group 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
 - iv. The Group Company has declared the dividend during the year in compliance of Section 123 of the Companies Act 2013. The Final dividend is paid by the Holding Company during the year in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend (Contrary to Note 43 of the Financials).
 - v. Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of accounts for the financial year ended 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Also, the Holding Company has prepared the Audit Trail as required under the rule.
- 2. With respect to Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, there are no unfavorable remarks, qualification or adverse remarks given in the reports of the Holding Company. Reporting under CARO is not applicable to the Subsidiary company.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Anand Jog

Partner

Membership No.: 108177

UDIN: 25108177BMJBPP4101

Pune, April 30, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Fidel Softech Limited 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")

Opinion

We have audited the internal financial controls over financial reporting of Fidel Softech Limited ("the Holding Company") as of 31 March 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to consolidated financial statements 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.

Responsibilities of Management and Board of Directors for Internal Financial Controls

The Holding company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on criteria established by the respective 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 the Company's business, including adherence to the 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 Act.

Auditors Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, 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 consolidated 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 Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements.

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Anand Jog

Partner

Membership No.: 108177

UDIN: 25108177BMJBPP4101

Pune, April 30, 2025

20th Annual Report

Consolidated Balance Sheet as at 31st March 2025

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2025
EQUITY AND LIABILITIES		
Shareholder's funds		
Share capital	3	1,375.06
Reserves and surplus	4	3,157.02
		<u>4,532.08</u>
Non-current liabilities		
Long Term Provisions	5	224.88
		<u>224.88</u>
Current liabilities		
<u>Trade payables</u>	7	
Total outstanding dues of micro enterprises and small enterprises; and		11.36
Total outstanding dues to Creditors other than Micro and Small Enterprises		194.92
Other current liabilities	8	320.55
Short Term provisions	9	47.30
		<u>574.14</u>
TOTAL		<u><u>5,331.09</u></u>
ASSETS		
Non-current assets		
Property, Plant and Equipment and Intangible assets		
Property, Plant and Equipment	10	14.09
Intangible Assets	10	2.00
Deferred tax assets (net)	11	74.53
Non Current Investments	12	-
Long term loans and advances	13	252.09
Other Non Current Assets	14	108.70
		<u>451.41</u>
Current assets		
Current investments	15	2,186.95
Trade receivables	16	1,615.24
Cash and bank balances	17	822.65
Short-term loans and advances	18	251.78
Other current assets	19	3.06
		<u>4,879.68</u>
TOTAL		<u><u>5,331.09</u></u>

Summary of Material Accounting Policies

2

Notes to the Financial Statements

3-52

As this represents the first instance of consolidation, comparative figures for the previous year have not been presented.

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

For and on behalf of the Board of Directors of

Fidel Softech Limited

CIN: L72200PN2004PLC020061

Anand Jog

Partner

Membership No.: 108177

Place: Pune

Date: April 30, 2025

Sunil Kulkarni

Director

DIN: 00752937

Place: Pune

Date: April 30, 2025

Prachi Kulkarni

Director

DIN: 03618459

Place: Pune

Date: April 30, 2025

Mandar Inamdar

Chief Financial Officer

Place: Pune

Date: April 30, 2025

Sneha Ratnaparkhi

Company Secretary

ICSI M.No. : A42657

Place: Pune

Date: April 30, 2025

Consolidated Statement of Profit and Loss for the year ended 31st March 2025

(₹ in lakhs)

Particulars	Note No.	Year Ended 31 March 2025
Revenue		
Revenue from operations	20	5,504.30
Other income	21	98.20
Total Income		5,602.50
Expenses		
Cost of Services	22	1,667.35
Employee benefits expense	23	2,302.21
Finance costs	24	-
Depreciation and amortization expense	10	15.82
Other expenses	25	366.48
Total expenses		4,351.86
Profit before exceptional items and tax		1,250.64
Exceptional items:		
Profit before tax		1,250.64
Tax expense		
Current tax		327.57
Short/ (Excess) provision of earlier years (net)		4.64
Deferred tax		(15.10)
Profit for the year		933.53
Earnings per share (Face value of ₹10 each)		
Basic and diluted (₹)	26	
Summary of significant accounting policies	2	
Notes to the financial statements	3-52	

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: April 30, 2025

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

Sunil Kulkarni
Director
DIN: 00752937
Place: Pune
Date: April 30, 2025

Mandar Inamdar
Chief Financial Officer
Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

20th Annual Report

Statement of Consolidated Cash Flow for the year ended March 31st, 2025

(₹ in lakhs)

Particulars	Year ended 31 March 2025
Cash flow from operating activities:	
Profit before tax	1,250.64
Adjustments for:	
Depreciation and amortisation expenses	15.82
Interest income	(58.16)
Loss/(profit) on assets sold	-
Loss / (profit) on sale of investments	(3.88)
Finance cost	
Bad Debt (Inclusive of Provision for Doubtful Debt)	(4.33)
Sundry Balances Written back	(0.71)
Excess Provision Written back	-
Impairment Loss on Investment	-
Unrealised Foreign Exchange Gain/Loss	-
Income from Dividend	-
	(51.26)
Operating (loss)/profit before working capital changes	1,199.38
Adjustment for changes in working capital:	
Decrease/(Increase) in Long term loans and advances	-
Decrease/(Increase) in Trade receivables	(405.77)
Decrease/(Increase) in Short-term loans and advances	253.90
Decrease/(Increase) in Other current assets	32.60
Increase/(Decrease) in Long Term Provisions	54.55
Increase/(Decrease) in Trade payables	40.76
Increase/(Decrease) in Other current liabilities	34.36
Increase/(Decrease) in Short-term provisions	17.66
Cash (used in) operations	1,227.44
Income tax paid	(309.90)
Net cash (used in) operating activities (A)	917.54
Cash flow from investing activities:	
Purchase of tangible fixed assets	(13.73)
Sale of Fixed Assets	-
Interest received on bank deposits	32.20
Proceeds from sale/(purchase) of investments	(619.62)
Proceeds from sale/(purchase) of Non Current Deposits	218.89
(Increase)/ Decrease in Current Deposits	(49.11)
(Increase)/ Decrease in Loans given	46.17
Interest received on intercorporate loans	36.32
Profit earned on sale of investments	3.88
Income from dividend	-
Net cash (used in) / generated from investing activities (B)	(345.00)

(Contd.)

Statement of Consolidated Cash Flow for the year ended March 31st, 2025

(₹ in lakhs)

Particulars	Year ended 31 March 2025
Cash flow from financing activities:	-
Dividend Paid	(151.26)
Net cash (used in) / generated from financing activities (C)	(151.26)
Net (decrease) / increase in cash and cash equivalents (D=A+B+C)	421.28
Cash and cash equivalents:	
At the beginning of the year (refer note 17(A) for detailed breakup)	299.14
At the end of the year (refer note 17 (A) for detailed breakup)	720.44
Cash & Cash equivalents breakup:	
Cash on hand	0.81
Balances with banks	719.62

The above Statement of Cash flows has been prepared under the 'Indirect Method' as set out in AS3, 'Statement of Cash Flows'.

Previous Year 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: April 30, 2025

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

Sunil Kulkarni
Director
DIN: 00752937
Place: Pune
Date: April 30, 2025

Mandar Inamdar
Chief Financial Officer
Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

Notes to the financial statements (continued)

1. Corporate Information

Fidel Softech Private Limited was incorporated on 24th December 2004. It is classified as Non-govt Company and is registered at Registrar of Companies, Pune. The Group 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 Group on April 13, 2022, now named as Fidel Softech Limited. It was listed on SME Platform of National Stock Exchange of India Ltd. (NSE EMERGE) on 10th June 2022.

2. Significant Accounting Policies

Basis of consolidation

These Consolidated Statement have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards noted under the relevant provisions of the Companies Act, 2013.

Principles of Consolidation

The Consolidated financial statements relate to Fidel Softech Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- (A) The Consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 "Consolidated financial statements" as notified. The financial statements are presented, to the extent possible, in the same format as that adopted by Holding Company for its Consolidated financial statements.

The financial statements of subsidiary companies used in the consolidation are drawn on same reporting date as of the Holding Company. The financial statements of the Group have been consolidated on line by line basis by adding together the book values of like items of assets, liabilities, Income and expenses, after eliminating intra group transactions and intra group balances. The financial statements are prepared using uniform accounting policies for like transaction and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the financial statements and are presented in same manner as the Holding's Consolidated financial statements.

- (B) Intra group balances and intra-group transactions and resulting unrealised profit have been eliminated
- (C) in case of foreign subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Profit and Loss Account.
- (D) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (E) The Subsidiary considered in the preparation of the Consolidated Financial Statements :

Name of Subsidiary : Fidel Soft INC (USA)

a) Basis of preparation of Consolidated Financial Statements

- i) The financial statements of the Group 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.

Notes to the financial statements (continued)

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 Group 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 Group 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.

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 Group 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.

Notes to the financial statements (continued)

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 Group 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 Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group 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 Group'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 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 Group 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 Groups 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

Notes to the financial statements (continued)

The Group 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

i) 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 Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

j) (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.

(i) 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.

k) 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.

l) Provisions and contingencies

A provision is recognised when the Group 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.

m) 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 Group are segregated based on the available information.

n) 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.

o) 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.

p) Operating Cycle:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group 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.

q) Segment Reporting:

The Group 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 Group 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 Group as a whole and not allocable to any segment. Unallocable assets mainly comprise of tax assets, investments, loans & advances, etc.

Notes to the financial statements (continued)

3. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2025	
	Number of shares	Amount
Authorised		
Equity shares of face value ₹10/- each	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
Total	13,750,560	1,375.06

3.1 Reconciliation of shares outstanding

Particulars	As at 31 st March 2025	
	Number of shares	Amount
Equity Shares		
At the commencement and at the end of the year	13,750,560	1,375.06
Bonus Shares Issued during the year	-	-
Equity Shares Issued during the year	-	-
At the end of the year	13,750,560	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

- On show of hands, every member present in person shall have one vote;
- 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 st March 2025	
	Number of shares	% held
Equity Shares		
Sunil Sudhakar Kulkarni	7,626,996	55.47%
Prachi Sunil Kulkarni	2,407,000	17.50%

Equity share movement during five years preceeding 31st March 2025

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.

20th Annual Report

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 2025		
	Number of shares	% held	% change in shareholding
Sunil Sudhakar Kulkarni	7,626,996	55.47%	0.20%
Prachi Sunil Kulkarni	2,407,000	17.50%	0.01%

4. Reserves and surplus

(₹ in lakhs)

Particulars	As at 31 March 2025
Balance in the Statement of Profit and Loss	
At the commencement of the year	2,374.75
Add: Profit/Loss for the year	933.53
Less: Dividend Paid during the year	-151.26
Balance in the statement of profit and loss	3,157.02
Total	3,157.02

5. Long term provisions

(₹ in lakhs)

Particulars	As at 31 March 2025
Provision for employee benefits	
Compensated absences (Refer note 31)	44.38
Gratuity (Refer note 31)	180.50
Total	224.88

6. Short term Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2025
Secured	
Loan repayable on demand	
Total	-

7. Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2025
Total Outstanding dues to Micro and Small Enterprises	11.36
Total Outstanding dues to Creditors other than Micro and Small Enterprises	194.92
Total	206.28

Notes to the financial statements (continued)

(₹ in lakhs)

Trade Payable Aging Schedule for the Financial Year 2024-25

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment as on 31st March 2025				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	11.36	-	-	-	-	11.36
Others	-	187.70	3.75	3.19	0.23	0.05	194.92
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Other	-	-	-	-	-	-	-
Total :	-	199.06	3.75	3.19	0.23	0.05	206.28

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 recorded.

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

Particulars	As at 31 March 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.35
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	

8. Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2025
Statutory dues payable:	48.67
Employee Dues Payable	145.53
Unclaimed Dividend	1.50
Advance from Customers	1.80
Interest Payable for MSME Vendors	-
Provision for other expenses	121.57
Other Liabilities	1.48
Total	320.55

9. Short-term provisions

₹ in lakhs)

Particulars	As at 31 March 2025
Provision for employee benefits:	
Compensated absences (Refer note 31)	12.44
Gratuity (Refer note 31)	34.86
Total	47.30

Notes to the financial statements (continued)

10. 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 2024	Additions/ Adjustments	Deletions/ Transfer/ Adjustments	Gross carrying Value as on 31 st March 2025	Balance as at 1 April 2024	Depreciation charge for the year	Impairment loss	Deletions/ Transfer/ Adjustment	Balance as at 31 st March 2025	Net carrying value as at 31 March 2025	Net carrying Value as at 31 March 2024
(1)	Property, Plant and Equipment:											
	Computers & Peripherals	85.29	13.73	-	99.02	73.67	11.95	-	-	85.62	13.40	11.62
	Computers on Lease	33.79	-	-	33.79	33.79	-	-	-	33.79	-	-
	Office & Other Equipments	4.70	-	-	4.70	3.56	0.45	-	-	4.01	0.69	1.14
(2)	Intangible assets:											
	Software - Licences	25.39	-	-	25.39	19.97	3.42	-	-	23.39	2.00	5.42
	Total	149.17	13.73	-	162.89	130.99	15.82	-	-	146.81	16.09	18.18

Notes:

- a) 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.
- b) Company has not revalued any property, plant and equipment as well as intangible assets during the year.

Notes to the financial statements (continued)

11. Deferred tax Liabilities/Assets

(₹ in lakhs)

Particulars	As at 31 March 2025
Deferred Tax Asset on :	
Depreciation	5.86
Provision for Employee benefits	68.50
Other Disallowances	0.17
Deferred tax (Liability)/Asset [Net]	74.53

12. Non Current Investments

(₹ in lakhs)

Particulars	As at 31 March 2025
Non Current Investments	
	-

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.

13. Long Term Loans and Advances

(₹ in lakhs)

Particulars	As at 31 March 2025
(Unsecured and considered good unless otherwise stated)	
Loan to Related Party (Refer Note 30)	252.09
Total	252.09

14. Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31 March 2025
Secured, considered good:	
Bank deposits more than 12 months:	
Other Deposits in Bank	63.60
Other Deposits	45.10
Total	108.70

20th Annual Report

Notes to the financial statements (continued)

15. Current Investments

(₹ in lakhs)

Particulars	As at 31 March 2025
Current Investments	
Mutual Funds (Refer Note 34)	2,186.95
Total	2,186.95

16. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2025
Unsecured	
Undisputed -	
Considered good	1,615.24
Considered doubtful	0.67
Less: Provision for doubtful debts	(0.67)
Disputed -	-
Considered good	-
Considered doubtful	-
Less: Provision for doubtful debts	-
Total	1,615.24

Trade Receivable Aging Schedule for FY 2024-25

(₹ in lakhs)

Trade Receivable	Unbilled Receivables	Not Due	Outstanding for following 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	
Considered Good								
Undisputed	1.40	1,181.89	246.67	29.68	63.35	64.42	29.23	1,615.24
Disputed	-	-	-	-	-	-	-	-
Sub Total (i)	1.40	1,181.89	246.67	29.68	63.35	64.42	29.23	1,615.24
Considered doubtful								
Undisputed	-	-	-	-	0.67	-	-	0.67
Disputed	-	-	-	-	-	-	-	-
Sub Total (ii)	-	-	-	-	0.67	-	-	0.67
Less: Provision for Doubtful Debts	-	-	-	-	(0.67)	-	-	-0.67
Sub Total (iii)	-	-	-	-	(0.67)	-	-	-0.67
Total (i+ii+iii)	1.40	1,181.89	246.67	29.68	63.35	64.42	29.23	1,615.24

Notes to the financial statements (continued)

17. Cash and bank balances

(₹ in lakhs)

Particulars	As at 31 March 2025
Cash and cash equivalents	
Cash on hand	0.81
Balances with banks	
-on current accounts	410.57
-bank deposits with remaining maturity less than three months	307.55
-dividend accounts	
	1.50
(A) Subtotal	720.43
Other bank balances	
-bank deposits with remaining maturity more than three months and less than twelve months.	
	102.22
(B) Subtotal	102.22
Total (A+B)	822.65

Details of bank balances/deposits

As at
31 March 2025

Bank balances available on demand/deposits with remaining maturity of 3 months or less included under 'Cash and cash equivalents'.	718.13
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'.	102.22
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	63.60
Total	883.95

18. Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31 March 2025
(Unsecured, considered good unless otherwise stated)	
Balance with Government Authorities	
b) GST Authorities	111.94
Prepaid expenses	32.38
Advance income tax and tax deducted at source (net of provisions)	21.56
Loan to Related Party (Refer Note 30)	80.00
Other Deposits	5.90
Total	251.78

20th Annual Report

Notes to the financial statements (continued)

19. Other current assets

(₹ in lakhs)

Particulars	As at 31 March 2025
(Unsecured, considered good unless otherwise stated)	
Unbilled revenue	1.40
Advances to Employees	1.03
Advances to Suppliers	0.63
Interest accrued on intercorporate loan	-
Interest accrued on Fixed Deposit	-
Total	3.06

20. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Domestic Sales & Services	317.09
Export Sales & Services	5,187.21
Total	5,504.30

21. Other income

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Interest on Deposits	31.38
Interest on Loan	24.98
Short Term Capital Gain	3.04
Miscellaneous Income	36.17
Interest Received on Income Tax Refund	1.79
Dividend income	0.00
Long Term Capital Gain	0.84
Foreign Exchange Gain and Loss	0.00
Profit on Sale of Asset	0.00
Total	98.20

22. Cost of Services

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Broadband & Other Direct Expenses	40.50
Computer Rent	80.87
Office Rent	149.50
Professional Fees	1,396.48
Total	1,667.35

Notes to the financial statements (continued)

23. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Salaries, allowances and bonus	2,134.74
Salaries, allowances and bonus - Directors	72.00
Contribution to Provident and other Funds (also refer Note 31)	61.13
Staff welfare expenses	34.34
Total	2,302.21

24. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Interest on loan	-
Total	-

25. Other expenses

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Legal and professional fees	167.04
Director Sitting Fees	4.50
Travelling and Conveyance expenses	50.35
License Fees	20.87
Rates and taxes	8.67
Courier Charges	0.48
Insurance Charges	0.80
Bank Charges	4.98
Office Expenses	7.47
Advertising and Marketing Expense	34.72
Payment to auditors	9.18
Printing and Stationery	2.42
Bad Debts (write back)	(4.33)
Prior Period Expense (Refer Note 36)	0.29
Foreign Exchange Gain and Loss	31.46
CSR Expenses	14.34
Telephone Expenses	0.78
Miscellaneous Expenses	12.46
Total	366.48

20th Annual Report

Notes to the financial statements (continued)

26 Earnings per share

(₹ in lakhs)

Particulars		Year Ended 31 March 2025
Net profit for the year attributable to equity shareholders	A	933.53
Weighted average number of equity shares of face value of ₹ 10 each outstanding during the year	B	13,750,560
Basic and Diluted profit per equity share of face value ₹10 each (in INR)	(A/B)	6.79

27 Auditors' remuneration

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
As auditor	
Statutory audit	5.70
Tax audit	1.20
For Other Services	2.13
Out of Pocket Expenses	0.15
Total	9.18

28 Earnings in foreign currency (accrual basis)

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Sale of Services	
- Underwriter Translation	3,472.76
- IT Services	1,714.45
	-
Total	5,187.21

29 Expenses in foreign currency (accrual basis)

(₹ in lakhs)

Particulars	Year Ended 31 March 2025
Professional Fees	583.09
Licence Fees	21.76
Membership and Sponsorship Fees	5.41
Travelling spend	14.78
Marketing spend	0.65
Others	3.32
Total	629.01

Notes to the financial statements (continued)

30 Related party disclosures

(₹ in lakhs)

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)
- 5 Neha Joshi (Company Secretary) till date 30th October 2023

b) Enterprises under Common Control

- 1 Fidel Technologies KK Japan
- 2 Fidel Consulting KK Japan
- 3 CoolPro International Private Limited
- 4 LinguaSol Private Limited
- 5 Fidel Soft INC (USA) -100% Wholly Owned Subsidiary (WOS)

c) Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Nature of transaction	Year ended 31 st March 2025
1	Fidel Consulting KK Export of Sevices	530.26
2	Fidel Technologies KK Export of Services Reimbursement (Paid/Payable)/Receivable (net)	926.23 (474.51)
3	Linguasol Private Limited Loan to Linguasol - Repayment receipts Interest on loan Office Rent income	(80.00) 24.98 4.00
4	CoolPro International Private Limited Domestic Professional Services	5.58
5	Sunil Kulkarni Directors Remuneration Dividend Paid	36.00 83.60
6	Prachi Kulkarni Directors Remuneration Dividend Paid	36.00 26.48
7	Mandar Inamdar Remuneration	47.82
8	Sneha Ratnaparkhi Remuneration	9.16
9	Neha Joshi Remuneration	-
	Total	1,175.60

20th Annual Report

Notes to the financial statements (continued)

d) Amount due to/from related parties

(₹ in lakhs)

Sr. No.	Nature of transaction	Year ended 31 st March 2025
		Amount
1	Receivables (Net) Linguasol Private Limited Loan to Linguasol (Receivable) 332.09 Interest accrued on loan (Receivable) - Software Professional Service, Underwriter Translation & Manpower Recruitment Services (Receivable) 93.65 Fidel Consulting KK Export of Services 138.39 Fidel Technologies KK Export of services 482.54 Coolpro International Pvt Ltd Software Professional Service (Receivable) 0.09 Prachi Kulkarni Advance Receivable -	
	Total Receivable	1,046.76
2	Payable (Net) Remuneration Payable to Prachi Kulkarni 2.36 Remuneration Payable to Sunil Kulkarni 2.36 Reimbursement Payable to Sunil Kulkarni 0.05 Reimbursement Payable to Prachi Kulkarni 0.13 Remuneration Payable to Sneha Ratnaparkhi 0.66 Remuneration Payable to Mandar Inamdar 2.49 Trade Payable to Fidel Technologies KK Japan 35.77	
	Total Payable	43.82

31 Employee Benefits

b) Defined contribution plans

The Company has recognized INR 60,11,191 (2024: INR 55,93,320) towards provident fund, INR 25050 (2024: INR 11,076) towards labour welfare fund and INR 76,929 (2024: INR 2,16,701) towards employee state insurance in the Statement of Profit and Loss.

Defined benefit plans

c) 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:

Notes to the financial statements (continued)

Particulars	31-Mar-25
Mortality table	IALM(2012-14) ult
Discount rate	6.60%
Rate of increase in compensation levels	10%
Expected average remaining working lives of employees (in years)	4.84
Retirement Age	60 years
Withdrawal Rate	
Age upto 30 years	20%
Age 31 - 40 years	20%
Age 41 - 50 years	20%
Age above 50 years	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-25
Present Value of Benefit Obligation at the Beginning of the Period	157.04
Interest Cost	11.17
Past Service Cost	
Service cost Curtailment	40.86
Actuarial (Gains)/Losses on Obligations	10.19
Benefits Paid	(3.90)
Present Value of Benefit Obligation at the End of the Period	215.36

	(₹ in lakhs)
Expenses Recognized in the Statement of Profit or Loss for Current Period	31-Mar-25
Current Service Cost	40.86
Net Interest Cost	11.17
Actuarial (Gains)/Losses	10.19
Expenses Recognized in the Statement of Profit or Loss	62.22

20th Annual Report

Notes to the financial statements (continued)

	(₹ in lakhs)
Balance Sheet Reconciliation	31-Mar-25
Opening Net Liability	(157.04)
Expense Recognized in Statement of Profit or Loss	(62.22)
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	-
(Benefit Paid Directly by the Employer)	3.90
(Employer's Contribution)	-
Net Liability/(Asset) Recognized in the Balance Sheet	(215.36)

Leave Encashment:

Data Summary	31-Mar-25
Number of Employees	204
Total Salary (Leave Encashment)	73.54
Total Salary (Leave Availment)	190.56
Average Age	34.5
Average Past Service	3.74
Total Leave Days	3,207

	(₹ in lakhs)
Valuation Results	31-Mar-25
Discontinuance Liability	49.93
Projected Benefit Obligation	56.82

	(₹ in lakhs)
Current & Non-Current Liability	31-Mar-25
Funding Status	Unfunded
Fund Balance	N.A.
Current Liability **	12.44
Non-Current Liability	44.38

Notes to the financial statements (continued)

Valuation Assumptions	31-Mar-25
(i) Financial Assumptions	
Salary Escalation Rate	
For first year	00.00% p.a.
For subsequent years	10.00% p.a.
Discount Rate	6.60% p.a. (Indicative G. Bonds referenced on 31-03-2025)
(ii) Demographic Assumptions	
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate

32 Operating Lease

(₹ in lakhs)

Particulars	31 March 2025
Lease payment debited to Statement of Profit & Loss (Net of GST)	230.37

33 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:

(₹ in lakhs)

Particulars	Currency	Amount in foreign currency	Equivalent Amount in Indian Rupees
		31-Mar-25	31-Mar-25
Trade Receivables	EUR	5.76	529.07
Trade Receivables	JPY	1,143.19	649.33
Trade Receivables	GBP	-	-
Trade Receivables	USD	2.21	190.03
Trade Payables	USD	0.05	4.97
Trade Payables	JPY	62.98	35.77
Trade Payables	CAD	0.05	2.86
Trade Payables	EUR	0.00	0.04

20th Annual Report

Notes to the financial statements (continued)

34 Investments

A) 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 st March 2025	Per Unit value (31 st March 2025) ₹	Market Value as on 31 st March 2025	Book Value as on 31 st March 2025
1	Aditya Birla Sun Life Banking and PSU Debt Fund Regular Plan Growth (Erstwhile Aditya Birla Sun Life Treasury Optimisier)	33,898	358.88	121.66	99.99
2	Aditya Birla Sun Life Savings Fund Growth	1,127	537.333	6.05	5.07
3	Axis Corporate Debt Fundgrowth (Erstwhile Axis Corporate Debt Opportunities)	428,439	16.68	71.46	58.83
4	DSP Bond Fund Retail Plan Growth	53,065	80.00	42.45	34.74
5	HDFC Corporate Bond Fund Regular Plan Normal Dividend (Erstwhile HDFC Corporate Bond Normal) - DP	-	-	-	-
6	HDFC Income Fund - Growth	277,601	57.26	158.96	129.99
7	HSBC Short Duration Fund Regular Plan Growth (Erstwhile HSBC Short Term Bond Fund - Regular Plan - Growth	466,856	25.86	120.74	100.00
8	ICICI Prudential All Seasons Bond Fund Growth (Erstwhile ICICI prudential long term)	659,610	36.22	238.91	205.08
9	ICICI Prudential Banking and PSU Debt Fund Growth	197	32.05	0.06	0.04
10	ICICI Prudential Short Term Fund Growth Option (Erstwhile Icici Prudential Short Term)	475,676	58.83	279.83	229.99
11	Kotak Balanced Advantage Fund Regular Plan Growth	-	-	-	-
12	Kotak Corporate Bond Fund Regular Plan Growth	3,160	3,688.45	116.57	95.45
13	Kotak Dynamic Bond Fund Regular Plan Growth (Erstwhile Kotak Flexi Debt Fund)	1,130,944	36.87	416.99	374.99
14	NIPPON INDIA Dynamic Bond Fund Growth Plan Growth Option	1,754,827	36.43	639.20	604.99
15	NIPPON INDIA Short Term Fund - Growth Plan	146,193	51.58	75.41	64.78
16	NIPPON INDIA Ultra Short Duration Fund Growth (Erstwhile NIPPON INDIA Liquid Cash)	2,832	3,956.46	112.03	100.00
17	Sbi Short Term Debt Fund Regular Plan Growth	273,829	31.40	85.97	68.00
18	Sundaram Corporate Bond Fund - Regular - Growth	53,515	39.30	21.03	15.00
	Total			2,507.32	2,186.95

Notes to the financial statements (continued)

35 Ratios

(₹ in lakhs)

Ratios	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance*
Current Ratio	Current Assets	Current Liabilities	8.50	7.76	10%	
Debt-Equity Ratio	Debt	Equity	NA	NA	0%	
Debt Service Coverage Ratio	Net Operating Income	Debt Service	NA	NA	0%	
Return on Equity Ratio	Net Income	Shareholder's equity	0.21	0.16	27%	Variance is due to higher net profit and revenues during the current year
Trade payables turnover ratio	Total Purchases	Average of Trade Payables	10.92	10.76	2%	
Trade Receivables turnover ratio	Net Credit Sale	Average of Trade Receivables	3.90	3.68	6%	
Net capital turnover ratio	Net Sales	Working Capital	1.28	1.23	4%	
Net profit ratio	Net Profit	Total Sales	0.17	0.15	12%	
Return on Capital employed	EBIT	Networth + Total Debt + DTL	0.28	0.22	29%	Variance is due to higher Net Profit and Revenues
Return on investment.	Gain on investments	Average Investment	0.02	0.03	-50%	Realised Gains on investment are lower due to lower Redemptions of Investments

36 Prior Period Expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2025
Miscellaneous Expense	0.29
Total	0.29

20th Annual Report

Notes to the financial statements (continued)

37 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)

	Particulars	Year Ended 31 March 2025		
		Geographical Segments		
		India	Outside India	Total
A	Segment Revenue			
	Total Sales	317.09	5,187.21	5,504.30
	Total Revenue	317.09	5,187.21	5,504.30
B	Segment Assets			
	Segment Assets	236.43	1,408.82	1,645.25
	Unallocated assets	-	-	3,685.84
	Total Assets	236.43	1,408.82	5,331.09

38 Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	Year ended 31 March 2025
(a) Amount required to be spent during the year	14.31
(b) Amount of expenditure incurred	14.34
(c) Shortfall / (Excess) at the end of the year	(0.03)
(d) Total of previous years shortfall	NA
(e) Reasons for shortfall	NA
(f) Nature of CSR activities: Promotion of education, contribution to incubators & ensuring environmental sustainability	Non-Project Expense
(g) Details of related party transactions	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.	NA

39 There are no contingent liabilities as on 31st March 2025

40 (i) The Group 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 Group.

41 Long Term Loans and Advances

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	33,208,753	100%

Notes to the financial statements (continued)

(₹ in lakhs)

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.	332.09	-	-

The Group had granted unsecured long term loan to LinguaSol Private Limited ("LinguaSol") in earlier year/s out of which principal amount of ₹3,32,08,753 is outstanding till March 31, 2025. LinguaSol repaid ₹80,00,000 towards principal and interest in FY 2024-25.

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

42 To the best of our knowledge and belief,

- a) 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 Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- b) Also No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

43 Dividend Distribution made & proposed

Particulars	Year Ended 31 st March, 2025
Cash Dividends on equity shares declared and paid:	
Final dividend for the year ended on March 31, 2024: ₹1.1 /- per share (i.e. 11% of face value)	151.26
Total Dividend Paid	150.32

The Board of Director has recommended dividend of ₹ 2/- per share i.e. 20% of Face Value for FY 2024-25 in the Board meeting held on 30.04.2025. This proposed dividend on equity shares are subject to approval at AGM & not recognised as liability on reporting date.

44 Disclosure in terms of Schedule III of the Companies Act, 2013

20th Annual Report

Notes to the financial statements (continued)

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Amount in Lakhs	As a % of consolidated profit	Amount in Lakhs
Parent	Net Asset i.e. total assets minus total liabilities			
Fidel Softech Limited	99.84%	4,524.84	99.23%	926.29
Subsidiary				
US				
Fidel Soft INC USA	1.10%	50.08	0.78%	7.24
Less: Elimination	-0.95%	-42.84		
Total	100.00%	4,532.08	100.00%	933.53

- 45 Group 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 2024-25.
- 46 Group has not traded or invested in Crypto currency or Virtual Currency during the financial year 2024-25.
- 47 There are no capital commitments as at 31st March 2025.
- 48 The Group 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.
- 49 There is neither creation nor modification of charge in the FY 2024-25.
- 50 The Group has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.
- 51 During the year ended March 31, 2025, the Group 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.
- 52 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

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

Anand Jog
Partner
Membership No.: 108177
Place: Pune
Date: April 30, 2025

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: April 30, 2025

Mandar Inamdar
Chief Financial Officer
Place: Pune
Date: April 30, 2025

Prachi Kulkarni
Managing Director
DIN: 03618459
Place: Pune
Date: April 30, 2025

Sneha Ratnaparkhi
Company Secretary
ICSI M.No. : A42657
Place: Pune
Date: April 30, 2025

NOTES

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Fidel Softech Limited

LangTech & Consulting

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CIN: L72200PN2004PLC020061