

SE/2023/0106

**Date:** February 24, 2023

To,  
**National Stock Exchange of India Ltd,**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai- 400051  
Maharashtra, India.

**Scrip: FIDEL**

**SUB: Clarification on Financial Results for quarter and nine months ended December 31, 2022**

**Ref: Email dt. Feb 24, 2023 from National Stock Exchange of India Limited (NSE)**

Dear Sir/Madam,

This is with reference to your email dt. Feb 24, 2023 asking us to re-submit the Machine Readable / legible copy of Financial Results for quarter and nine months ended December 31, 2022.

The Machine Readable / legible copy of the results along with the copy of limited review report duly signed by the Auditors of the Company together with a copy of the 'Key Takeaways' and 'Nil Report' for statement of deviation or variation for the funds are enclosed herewith.

Request you to take this on your record.

Thanking you.

Yours faithfully,

**For Fidel Softech Limited**

**Neha Joshi**  
**Company Secretary**

SE/2023/1105

**Date:** January 31, 2023

To,  
**National Stock Exchange of India Ltd,**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai- 400051  
Maharashtra, India.

**Scrip: FIDEL****SUB: Outcome of Board Meeting**

Dear Sir/Madam,

This is to inform you that the Board of Directors at its meeting held today, i.e. on January 31, 2023 have approved the following

1. Unaudited Standalone Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2022.
2. 'Nil Report' for statement of deviation or variation for the funds raised by Initial Public Offer, as approved by the audit committee.

The results along with the copy of limited review report duly signed by the Auditors of the Company together with a copy of the 'Key Takeaways' and 'Nil Report' for statement of deviation or variation for the funds are enclosed herewith. The aforementioned documents shall also be available on the Company's website at [www.fidelsoftech.com](http://www.fidelsoftech.com).

The Board meeting commenced at 10.45 am and ended at 12.00 pm.

Request you to take this on your record.

Thanking you.

Yours faithfully,

**For Fidel Softech Limited**

**Prachi Kulkarni**  
Managing Director  
DIN: 03618459



**FIDEL SOFTECH LIMITED**  
(Formerly known as Fidel Softech Private Limited)  
**CIN - U72200PN2004PLC020061**  
Unit No. 202, 2nd Floor, Marisoft 3, West Wing, Pune, Maharashtra 411014  
Website - www.fidelsotech.com; Email : cs@fidelsotech.com

**Statement of Unaudited Financial Results for the Quarter and Nine months ended December 31, 2022 Pursuant to regulation 33 of SEBI (LODR) Regulation, 2015**

(Rupees In Lakhs except EPS)

	Particulars	Quarter ended 31st Dec 2022 Unaudited	Quarter ended 30th Sept 2022 Unaudited	Quarter ended 31st Dec 2021 Unaudited	Year till date 31st Dec 2022 Unaudited	Year till date 31st Dec 2021 Unaudited	Year ended 31 March 2022 Audited
I	Revenue from operations	863.32	862.51	647.23	2,407.64	1,814.81	2,631.31
II	Other income	22.30	17.25	16.85	44.39	40.92	55.47
III	<b>Total Income (I+II)</b>	<b>885.61</b>	<b>879.76</b>	<b>664.08</b>	<b>2,452.02</b>	<b>1,855.73</b>	<b>2,686.78</b>
	Expenses						
	Cost of Services	241.02	238.06	189.06	700.69	548.76	716.49
	Employee benefits expense	360.73	353.54	298.10	1,061.01	870.06	1,169.23
	Finance costs	-	(0.39)	4.42	2.97	12.44	15.72
	Depreciation and amortization	8.74	7.43	4.46	18.13	14.03	18.22
	Other expenses	62.84	55.04	31.85	158.65	87.26	138.04
IV	<b>Total expenses</b>	<b>673.34</b>	<b>653.68</b>	<b>527.89</b>	<b>1,941.46</b>	<b>1,532.54</b>	<b>2,057.70</b>
V	<b>Profit before exceptional item</b>	<b>212.27</b>	<b>226.08</b>	<b>136.18</b>	<b>510.57</b>	<b>323.18</b>	<b>629.07</b>
VI	Exceptional items:	-	-	-	-	-	-
VII	<b>Profit before tax (V-VI)</b>	<b>212.27</b>	<b>226.08</b>	<b>136.18</b>	<b>510.57</b>	<b>323.18</b>	<b>629.07</b>
VIII	Tax expense						
	Current tax	53.02	56.13	21.87	129.42	51.90	101.03
	Previous Year	(1.61)	0.53	-	(1.08)	-	10.65
	Deferred tax	0.47	(0.17)	(2.07)	(1.44)	(6.55)	60.89
IX	<b>Profit after tax (VII-VIII)</b>	<b>160.39</b>	<b>169.59</b>	<b>116.38</b>	<b>383.66</b>	<b>277.83</b>	<b>456.50</b>
X	Paid up Equity Share Capital (Face value of Rs 10 each)	1,375.06	1,375.06	25.26	1,375.06	25.26	1,010.26
XI	Reserves & Surplus						477.93
XII	Earnings per equity share (Not annualised)						
	(1) Basic	1.25	1.37	1.15	2.99	2.75	4.52
	(2) Diluted	1.25	1.37	1.15	2.99	2.75	4.52



1 The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 31st January 2023,  
The limited review of the financial results for the quarter ended and nine months ended 31st December 2022 have been carried out by the statutory auditors.

2 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, and the relevant

3 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

4 Company is operating only in one segment, namely Language Technology Services and Consultancy Services

As part of secondary reporting, revenue is attributed to geographical areas based on the location of the customers as per the details below:

(Rupees In Lakhs)

Particulars	Quarter ended 31st December 2022	Quarter ended 30th Sept 2022	Quarter ended 31st December 2021	Year till date 31st December 2022	Year till date 31st December 2021	Year ended 31 March 2022
Domestic Revenue	46.63	75.68	70.00	219.15	269.22	366.04
Export Revenue	816.68	786.83	577.22	2,188.49	1,545.59	2,265.26
Total	863.32	862.51	647.23	2,407.64	1,814.81	2,631.31

5 As the Company has listed on the Emerge platform of the National Stock Exchange of India Limited ("NSE EMERGE") w.e.f 10th June 2022, the Company has not prepared the financial results for the previous quarters. However, comparative figures of quarter ended December 31, 2021 and nine month ended December 31, 2021 have been restated by the Management of the Company and prepared by exercising necessary due diligence to ensure that the Financials reflect true and fair view of Company affairs.

For and on behalf of the Board of Directors of  
Fidel Softech Limited  
CIN: U72200PN2004PLC020061

*Prachi Kulkarni*  
Prachi Kulkarni  
Managing Director  
DIN: 03618459  
Date: 31st January 2023  
Place: Pune



# KIRTANE & PANDIT LLP

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE QUARTERLY AND YEAR TO DATE STATEMENT OF UNAUDITED FINANCIAL RESULTS

To the Board of Directors of  
Fidel Softech Limited

1. We have reviewed the accompanying Statement of unaudited financial results of **Fidel Softech Limited** (the "Company") for the quarter ended December 31, 2022 and year to date for the period from April 01, 2022 to December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making enquiries, primarily of persons responsible for financials and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that

Kirtane & Pandit LLP  
Chartered Accountants

Pune | Mumbai | Nashik | Bengaluru | Hyderabad | New Delhi

Regd. Office : 5<sup>th</sup> Floor, Wing A, Gopal House, S.No. 127/1B/1, Plot A1, Opp. Harshal Hall, Kothrud, Pune – 411 038, India | Tel : +91 20-67295100 / 25433104  
www.kirtanepandit.com | Email : kpca@kirtanepandit.com



we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

**5. Emphasis of Matter**

Attention is drawn to Note no. 5 of the Results which states that the comparative figures for quarter ended December 31, 2021 and year to date for the period from April 01, 2021 to December 31, 2021 as reported in the accompanying Statement have been prepared and presented by the Management of the Company and have not been subjected to our review. Our conclusion is not modified in respect of this matter.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057



**Anand Jog**

Partner

Membership No.: 108177

UDIN: 23108177BQWNHT4490

Pune, January 31, 2023





31 Jan 2023

From the desk of our Managing Director

**Fidel continues to post growth and sustainability:**

- Fidel Softech Q3 revenue grew by 33% YoY as against the revenue of Q3 FY22.
- For 9 months ended Dec, 2022, Fidel has recorded a growth of 33% in revenue, 58% in PBT and 38% PAT as against the same period of previous year.
- Revenues are consistent and sustained QoQ in the current year.
- Positive Cash Generation from Operations during the year so far.

**Financial Highlight for Oct to Dec Quarter 2022-23**

This quarter we continued the usage of IPO funds raised for our working capital usage in branding (event participation, advisory appointment), sales and marketing (hiring, increase in event participation, digital marketing), business performance optimization.

(Rupees in Lakhs)

Particulars	FY 22-23 till date	Q3 FY 22-23
Sales and Marketing Team onboarded	11.48	7.30
IT Infra	42.11	1.93
Membership and Event Fees	5.29	3.88
Certification Charges	2.60	--
Management Advisory	2.25	2.25
Total	63.73	15.36

And we can see the results due to the new employees and clients coming onboard.

(Rupees in Lakhs)

Particulars	Q3 FY 22-23	Q2 FY 22-23	Q3 FY 21 -22
Revenue	885.61	879.76	664.08
EBITDA	221.02	233.12	145.07
Profit Before Tax	212.27	226.08	136.18
Profit After Tax	160.39	169.59	116.38
EPS	1.25	1.37	1.15

**Some of the key wins and strategic insights for the quarter include –**

- New sizeable client in the areas of data collection and data engineering from US. This was post the participation in the event of LocWorld in Nov 2022.
- Increasing interest in the Language engineering services from Fidel and bagged one more client from Europe for the same.
- Increase in quantum of localization related projects from Japan in Q3
- New UK based client for ServiceNow maintenance and support (start from Jan).
- Fidel participated in various events such as LocWorld in US, IT Product event in Bengaluru, Indo-Japan Business Corporation (IJBC) event to showcase its technology and language consulting services. This was to broaden its reach to potential customers as well as create further awareness and brand its services.

**Fidel Softech Limited**

(Formerly known as Fidel Softech Pvt. Ltd.) CIN - U72200PN2004PLC020061  
 Unit No. 202, 2<sup>nd</sup> Floor, West Wing, Marisoft IT Park 3,  
 Kalyani Nagar, Vadgaon Sheri, Pune - 411014. MH. India.



- f. Membership of NIMDZI a global localization portal – again to brand as well as avail information of best practices in the localization and language engineering field.
- g. Hired 2 consultants in the US geography for business development and sell its engineering as well as language services (to start from Jan 2023).
- h. Strategy tie-up & MOU with a Japanese firm Computer Science Corporation. The tie-up is in the areas of product development, Japanese language trained engineer support, enterprise product support from India as well as onsite in Japan.

The hiring is picking up as there is now availability of talent and salaries are getting reset.

While we see recessionary news from US, we are as usual cautiously optimistic of the overall business sentiment and continue to seek opportunities that arise from such markets.

### Way Forward –

Overall, we have a very positive outlook for the remaining months of the year. We are close to the revenues (91% of PY) and PAT (81% of PY) of last financial year during the 9 months period ended on 31<sup>st</sup> Dec 2022, with an entire Q to go Q4FY23, thereby clearly seeing growth this year and going ahead. Fidel continues to focus on the quality of revenues and sustainability.

We continue to observe the growth outlook being on track with a healthy EBIDTA & PAT margin.

We continue to focus on talent development, training and re-skilling existing staff. Further we are planning ahead for the next fiscal year to ensure sustainable growth. We continue to invest in hiring talent, developing in-house or partnering for tool development and automation so as to better productivity and go for scale.

We also continue to engage with employees and have initiated morning breakfast (which was stopped during pandemic) thereby creating opportunities to interact and increase team communication.

We have increased our focus on the US market with local hiring and sales partners appointment. We recently participated in the business match-making event organized by CITLoB with the European counterpart localization firms. We are also participating in an global localization event in Ireland in March.

Our differentiated Lang + Engineering expertise, trusted delivery model and robust client relationships continue to fuel our growth. In addition, we are working with our clients to help them navigate and thrive in the evolving economic environment.

Currently, we continue to see stable demand and requirements from our clients. We continue to work on a two-fold model - **Sustain and Improve** business performance and then **Grow** the scale of operations. This way, we are protecting the downside as well as opening ourselves for rapid growth.

We have a long-term view and continue to better our performance while navigating through the current business scenario.

Thank You.

### Disclaimer

This note may contain "forward-looking statements" – these are statements related to future. In this context forward-looking statements often address our expected future business and financial performance and may contain words such as "expects, anticipates, intends, plans, believes, seeks, should or Will". For us uncertainties may arise from fluctuations in forex, increase in recruitment costs, attrition in key positions and other factors affecting the demand including those of a political, economic, business, competitive or regulatory nature. Actual future results may differ substantially or materially than those expressed in our note.

## Fidel Softech Limited

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**Statement of Deviation / Variation in utilisation of funds raised**

Name of listed entity	Fidel Softech Limited
Mode of Fund Raising	Public Issues / <del>Rights Issues /</del> <del>Preferential Issues / QIP / Others</del>
Date of Raising Funds	June 8, 2022
Amount Raised	Rs. 1,349.76 Lakhs.
Report filed for Quarter ended	December 31, 2022
Monitoring Agency applicable / not applicable	Not Applicable
Monitoring Agency Name, if applicable	-
Is there a Deviation / Variation in use of funds raised	Yes-/ No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	-
If Yes, Date of shareholder Approval	-
Explanation for the Deviation / Variation	-
Comments of the Audit Committee after review	Nil Report Approved
Comments of the auditors, if any	-
Objects for which funds have been raised and where there has been a deviation, in the following table	The object of the Initial Public Offer was 1. Funding working capital requirements; and 2. General corporate purposes.

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
1. Funding working capital requirements; and 2. General corporate purposes	NA	INR 1213.27 Lakhs	NA	INR 63.73 Lakhs	Nil	NA

Deviation or variation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised or
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or
- (c) Change in terms of a contract referred to in the fund-raising document i.e. prospectus, letter of offer, etc.

**For Fidel Softech Limited**

*Prachi Kulkarni*  
**Prachi Kulkarni**  
 Managing Director  
 DIN: 03618459



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