

SE/2022/0801

Date: Aug 3, 2022

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 August 3, 2022 have approved the Unaudited Standalone Financial Results for the first quarter ended 30th June, 2022.

The results alongwith the copy of limited review report duly signed by the Auditors of the Company together with a copy of the 'Key Takeways' are enclosed. The aforementioned documents shall also be available on the Company's website at www.fidelsoftech.com.

The Nil Report for statement of deviation or variation, as approved by the audit committee is also enclosed herewith.

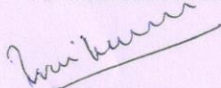
The Board meeting commenced at 11:45am and ended at 1:30pm

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 Pvt. Ltd.) CIN - U72200PN2004PLC020061
Unit No. 202, 2nd Floor, West Wing, Marisoft IT Park 3,
Kalyani Nagar, Vadgaon Sheri, Pune - 411014. MH. India.



FIDEL SOFTECH LIMITED
(Formerly known as Fidel Softech Private Limited)
CIN - U72200PN2004PLC020061

Unit No. 202, 2nd Floor, Marasoli 3, West Wing, Pune, Maharashtra 411014
Website - www.fidelsotech.com; Email - info@fidelsotech.com

Statement of Unaudited Financial Results for the Quarter ended on June 30, 2022 pursuant to regulation 33 of SEBI (LODR) Regulation, 2015

(Rupees in Lakhs except EPS)

	Particulars	Quarter ended 30th June 2022	Quarter ended 30th June 2021	Quarter ended 31st March 2022	Year till date 30th June 2022	Year till date 30th June 2021	Year ended 31st March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	681.80	526.61	806.30	681.80	526.61	2,631.31
II	Other income	14.28	11.83	14.25	14.28	11.87	55.47
III	Total Income (I+II)	696.07	538.43	820.55	696.07	538.47	2,686.78
	Expenses						
	Cost of Services	223.94	155.60	167.72	221.94	155.00	718.19
	Employee benefits expense	345.34	282.16	299.17	348.74	281.16	1,109.92
	Finance cost	1.16	2.85	1.39	1.36	1.85	12.72
	Depreciation and amortization expense	1.56	4.77	4.19	1.56	4.77	18.22
	Other expense	21.83	24.56	25.78	21.83	24.56	138.06
IV	Total expenses	622.86	470.93	525.16	622.86	470.33	2,017.30
V	Profit before exceptional items and tax (III-IV)	73.21	68.44	305.89	73.21	68.14	679.47
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	73.21	68.44	305.89	73.21	68.14	679.47
VIII	Tax expense						
	Current tax	20.28	10.76	69.13	20.28	10.76	101.03
	Previous Year	-	-	10.68	-	-	19.55
	Deferred tax	(1.74)	(2.78)	67.44	(1.75)	(2.78)	63.89
IX	Profit after tax (VII-VIII)	51.19	65.17	179.88	51.19	65.17	435.50
X	Paid up Equity Share Capital (Face value of Rs 10 each)	1,375.06	25.26	1,010.26	1,375.06	25.26	1,010.26
XI	Reserves & Surplus	1,380.08	1,056.49	477.93	1,380.08	1,056.35	477.93
XII	Earnings per equity share:						
	(i) Basic	0.44	0.60	1.77	0.43	0.65	4.32
	(ii) Diluted	0.43	0.60	1.73	0.43	0.66	4.52

- The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors in their meeting held on 3rd August 2022.
- 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 previous years figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.
- Company is operating only in one segment, namely Language Technology Services and Consultancy.
As part of segmentary 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 30th June 2022	Quarter ended 30th June 2021	Quarter ended 31st March 2022	Year till date 30th June 2022	Year till date 30th June 2021	Year ended 31st March 2022
Domestic Revenue	59.83	109.53	96.85	59.83	109.53	566.64
Export Revenue	584.97	417.08	719.67	584.97	417.08	2,069.26
Total	681.80	526.61	816.52	681.80	526.61	2,631.30

- As the Company has got listed on the BSE 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 March 31, 2022 and June 30, 2021 have been prepared and certified by the Management of the Company to ensure such results reflect true and fair view of Company affairs. Financial result for the quarter ended March 31, 2022 and June 30, 2021 have not been subjected to limited review report of the auditors.

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

Pankaj Kulkarni
Pankaj Kulkarni
Managing Director
DIN: 05618499
Date: 3rd August 2022
Place: Pune



KIRTANE & PANDIT LLP

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE QUARTERLY 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 June 30, 2022, 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 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 these financial 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 we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Kirtane & Pandit LLP
Chartered Accountants

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

Regd. Office : 5th 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



Fidel Softech Limited - Independent Auditor's Review Report On The Quarterly Unaudited Financial Results For The Quarter Ended June 30, 2022

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 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 of quarter ended June 30, 2021 and March 31, 2022 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


Suhrud Lele
Partner
Membership No.: 121162
UDIN: 22121162AODPKP9060



Pune, August 3, 2022

Kirtane & Pandit LLP
Chartered Accountants

3rd August 2022

From the desk of our Managing Director

Our differentiated Lang + Tech Engineering & Consulting expertise, trusted delivery model and robust client relationships continue to fuel our growth

- Fidel Softech revenue grows 29.30% YoY for Q1 FY23
- Employee strength reaches over 183

Financial Highlight for April to June Quarter 2023

We are happy to start the new fiscal year delivering a YoY growth of 29.30%. As a good corporate Governance Initiative, the company has decided to publish its quarterly unaudited financial results post the Initial Public Offering. This is our first fiscal Quarter and hence it was an organizational learning at all levels.

(Rupees in Lakhs)

Particulars	Q1 FY 22-23	Q1 FY 21 -22	Q4 FY 21- 22
Revenue	681.81	526.61	816.50
EBITDA	77.54	76.75	313.38
Profit Before Tax	72.21	68.14	305.89
Profit After Tax	53.68	60.17	178.68

Some of the key wins for the quarter include –

- 12 new esteemed clients with some key clients from manufacturing, B2B sector added to our customer base thereby increasing the client onboarding velocity.
- Bagged a 10 month long multi-lingual data creation for AI engine project. A dedicated team of 20 expert retainers onboarded to work on this project.
- Fidel provided training to a team from a renowned Japanese firm setting up its operations in India. This has opened new opportunities for localization & IT services and other collaborations.
- We are now supporting a multi-lingual system development for a New Ireland based client into e-gaming and entertainment.
- New Key hires: Fidel has added a senior Cloud manager as it sees more business in Cloud. Fidel also hired a senior sales executive with localization and manufacturing domain experience.
- Attrition this quarter was as low as 8%.
- Fidel got empaneled on GEMWIN (Singapore portal) which will now open new opportunities in SE Asian markets.

We saw a lower PAT this quarter for obvious reasons.

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One-time costs: We incurred one-time IPO related costs in the current quarter, to the tune of 17.83 Lakhs. These costs have helped us raise funds and will help us fuel our growth in the times to come.

Addition of new staff: We have started adding new staff to our sales and delivery teams. For a new project, we increased the number of retainers in April and invested in onboarding and training them to take up this 10-month project which has an almost 40% margin.

Compared to last quarter we have added 19 new members to our team and on YoY basis we have added a staff of 41 language and engineering experts.

Incentive to key middle managers: The company also decided to share some wealth with key middle managers for the future planned projects and as part of retention initiative. The company did an all-hands celebration to mark the milestone event of IPO, and which was a huge motivation for the team.

All the above had a direct impact on PAT.

Since the shares were listed on June 10th and the quarter immediately finished on June 30 there was not much opportunity to implement any planned initiatives. From next quarter, we will be better equipped to implement the growth initiatives for the increased revenue and overall earning per share.

The overall business sentiment is strong and while we see some volatility in currency, spike in resourcing costs, company will better its PAT in coming quarters.

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.

Finally, so far, we continue to see stable demand and requirements from our clients. We are working 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 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.

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Statement of Deviation / Variation in utilization of funds raised

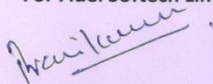
Name of listed entity	Fidel Softech Limited
Mode of Fund Raising	Public Issues / ~~Rights Issues /~~ ~~Preferential Issues / QIP / Others~~
Date of Raising Funds	June 8, 2022
Amount Raised	Rs. 1,349.76 Lakhs.
Report filed for Quarter ended	June 30, 2022
Monitoring Agency applicable / not applicable	Not 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 Utilised	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
1. Funding working capital requirements; and	NA	INR 943.32 Lakhs	NA	Nil	NA	None
2. General corporate purposes	NA	INR 269.95 Lakhs	NA	Nil	NA	None

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
Managing Director
DIN: 03618459

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