

SE/2024/1015

Date: February 6, 2024

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 February 6, 2024 have approved the following

1. Unaudited Standalone Financial Results for the quarter and Nine Months ended December 31, 2023.
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 are enclosed herewith. A 'Nil Report' for statement of deviation or variation for the funds will be filed with the Stock Exchange separately.

The aforementioned documents shall also be available on the Company's website at www.fidelsoftech.com.

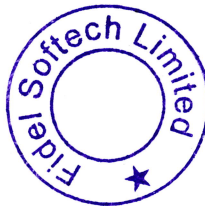
The Board meeting commenced at 10.30 am and ended at 11.15 am

Request you to take this on your record.

Thanking you.
Yours faithfully,

For Fidel Softech Limited

Sneha Ratnaparkhi
Company Secretary
(A42657)



FIDEL SOFTECH LIMITED
(Formerly known as Fidel Softech Private Limited)
CIN - L72200PN2004PLC020061
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, 2023 pursuant to regulation 33 of SEBI (LODR) Regulation, 2015

Currency: ₹ in lakhs, except EPS

	Particulars	Quarter ended	Quarter ended	Quarter ended	Year to date	Year to date	Year ended
		31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	1,013.95	954.79	863.32	2,890.96	2,407.64	3,337.10
II	Other income	34.83	41.51	22.30	91.09	44.39	86.85
III	Total Income (I+II)	1,048.78	996.30	885.61	2,982.05	2,452.02	3,423.95
	Expenses						
	Cost of Services	342.47	279.61	241.02	846.52	700.69	898.95
	Employee benefits expense	440.17	397.79	360.73	1,214.33	1,061.01	1,492.98
	Finance costs	-	-	-	-	2.97	2.97
	Depreciation and amortization expense	6.03	5.24	8.74	15.92	18.13	26.94
	Other expenses	81.00	96.34	62.84	296.01	158.65	287.23
IV	Total expenses	869.67	778.98	673.34	2,372.78	1,941.46	2,709.08
V	Profit before exceptional items and tax (III-I)	179.11	217.32	212.27	609.27	510.57	714.87
VI	Exceptional items:	-	-	-	-	-	-
VII	Profit before tax (V-VI)	179.11	217.32	212.27	609.27	510.57	714.87
VIII	Tax expense						
	Current tax	45.36	47.80	53.02	152.78	129.42	196.72
	Previous Year	-	1.08	(1.61)	1.08	(1.08)	(1.07)
	Deferred tax	(1.69)	3.58	0.47	(1.09)	(1.44)	(19.45)
IX	Profit after tax (VII-VIII)	135.44	164.86	160.39	456.50	383.66	538.67
X	Paid up Equity Share Capital (Face value of Rs 10 each)	1,375.06	1,375.06	1,375.06	1,375.06	1,375.06	1,375.06
XI	Reserves & Surplus						1,865.07
XII	Earnings per equity share (in ₹)						
	(1) Basic	0.98	1.20	1.25	3.32	2.99	4.13
	(2) Diluted	0.98	1.20	1.25	3.32	2.99	4.13

- The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 6th February 2024. The limited review of the financial results for the quarter and nine months ended 31st December 2023 has been carried out by statutory auditors.
- 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 provisions of the Companies Act, 2013.
- 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:

₹ in lakhs

Particulars	Quarter ended	Quarter ended	Quarter ended	Year to date	Year to date	Year ended
	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
Domestic Revenue	48.24	41.18	46.63	119.05	219.15	247.27
Export Revenue	965.71	913.61	816.68	2,771.90	2,188.49	3,089.84
Total	1,013.95	954.79	863.32	2,890.96	2,407.64	3,337.10

Segment assets are attributed to geographical areas based on location of the assets are as below:

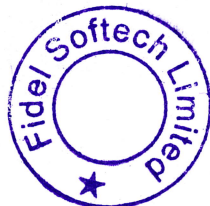
₹ in lakhs

Segment Assets	Quarter ended	Quarter ended	Quarter ended	Year to date	Year to date	Year ended
	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
Segment Assets - In India	200.28	200.25	265.69	200.28	265.69	235.89
Segment Assets - Outside India	952.76	920.95	577.06	952.76	577.06	802.76
Sub-total	1,153.04	1,121.20	842.75	1,153.04	842.75	1,038.65
Unallocable Assets	3,025.20	2,931.23	2,708.19	3,025.20	2,708.19	2,709.82
Total	4,178.24	4,052.43	3,550.94	4,178.24	3,550.94	3,748.47

- The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.
- Cost of services for quarter ended 31st December 2023 includes Rs.28.97 Lakhs being payment towards freelancers for translation services. Payment for such services during quarter ended 30th September 2023 of Rs. 37.38 Lakhs was recorded in Other expenses; the amount has been reclassified as Cost of services to conform to current quarter presentation.

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

Prachi Kulkarni
Managing Director
DIN: 03618459
Date: 6th February 2024
Place: Pune



KIRTANE & PANDIT LLP

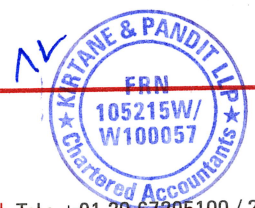
INDEPENDENT AUDITOR'S REVIEW REPORT ON THE QUARTERLY AND YEAR TO DATE STATEMENT OF UNAUDITED FINANCIAL RESULTS

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, 2023 and year to date for the period from April 01, 2023 to December 31, 2023 ("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

Kirtane & Pandit LLP
Chartered Accountants

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



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.

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.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Anand Jog

Partner

Membership No.: 108177

UDIN: 24108177BKAKGH1669



Pune, February 6, 2024

6 Feb 2024

From the desk of our Managing Director

Fidel continues to post growth and sustainability:

- Fidel Softech Q3 revenue grows by 20% YTD as against the revenue of Q3 FY23.
- 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 2023-24

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

(Rupees in Lakhs)

Particulars	Q3 FY24 INR	Q3 FY 22-23
Business development	43.43	7.30
Membership and Event	6.07	3.88
IT Infra % Licenses	24.25	--
Total	73.77	15.36

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

(Rupees in CR)

Particulars	Q3 FY 23-24	Q2 FY 23-24
Revenue	10.14	9.54
Profit Before Tax	1.79	2.17
Profit After Tax	1.35	1.65
EPS	0.98	1.20

This quarter was remarkable on many fronts -

- For the first time in Fidel’s history, its quarterly revenues crossed 10 CR INR.
- Fidel also signed a new deal for a langtech engineering and language localization work for which Fidel has setup a Hyderabad office and started with a team of 30 members (started on Jan 15). An additional annual revenue of 6CR-9CR+ INR is envisaged.
- This Q we see increase in direct costs ie salaries & outsourcing as well as indirect costs i.e sales and marketing costs. Some of the factors for the same are –
 - Upfront hiring and ramping up of team for Hyderabad office from Q3 itself
 - Multiple pilots & tests to win the bid and get the project
 - Other increased hiring (eg. finance manager, sales) in other departments
 - Increased marketing and sales push
 - A one-time training costs for the new TMS (translation management system) Plunet

For some of these new opportunities, we see this as a needed strategic investment. We will see increased billing from January itself thereby reflecting in the Q4 results
- Fidel continues to focus on operational efficiency and implemented a new TMS (Plunet TMS) that will enable it to manage project based P&L more effectively

Fidel Softech Limited

(Formerly known as Fidel Softech Pvt. Ltd.) CIN - L72200PN2004PLC020061
 Unit No. 202, 2nd Floor, West Wing, Marisoft IT Park 3,
 Kalyani Nagar, Vadgaon Sheri, Pune - 411014. MH. India.



- e. New 5 clients were added in this quarter
- f. A new MOU was signed up with Awraaaq a Saudi based FinTech client to develop FIX based adaptor and provide connectivity to local brokers in Saudi Arabia
- g. Fidel successfully delivered an AI multilingual prompt & responses project for a global e-commerce & AI engine firm
- h. Fidel also initiated support around ServiceNow ITOM (IT Operations management) to its global clients besides ITSM (IT Service management)
- i. Key hiring of this quarter include hiring of a finance manager, a channel & partnership sales manager and some other key members in project management etc

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. While our growth is on track, we need to continuously look at ways to increase our EBIDTA & PAT margin.

In coming quarter -

- We continue to stabilize the new Hyderabad office operations and optimize the delivery teams
- We also see clients opening up new discussions at scale as Fidel has demonstrated that it can build a team of 30 members in India or 15 bilingual Japanese members for Japan client. This has been possible in last 1 year and precisely our IPO proceeds help in upfront investment and to take up new challenges
- Fidel also sees some openings in AI where there is work around multilingual LLM and optimization.
- One of the new client comes from electronics domain and Fidel continues to explore new opportunities around programming and design.
- We continue to optimize our operations by focusing 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.

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.