

# KIRTANE & PANDIT LLP

## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To the Members of

Fidel Softech Private Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Fidel Softech Private Limited ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2021, 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 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 31<sup>st</sup> March 2021, 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.

### Emphasis of Matter

Attention is invited to Note 39 to the standalone financial statements regarding future prospects of LinguaSol Private Limited (to whom the Company has advanced loans and made investment in its equity shares) and that no adjustments including provision for impairment to carrying value of loan (including accumulated interest) and investment, made by the Company, as at the year end has been considered in Standalone Financial Statements

Our opinion is not qualified in this regard.



Kirtane & Pandit LLP  
Chartered Accountants

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

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### **Other Matter**

The standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2020 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were audited by another firm of Chartered Accountants under the Companies Act, 2013 who, vide their report dated December 16, 2020, expressed an unmodified opinion on those standalone financial statements.

### **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 for 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 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.



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

#### **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, 2016 ("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 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 as on 31st March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) A separate report as required under clause (i) of sub-section (3) of Section 143 of the Companies Act 2013, on adequacy of internal financial control over financial reporting of the Company and the operating effectiveness, is not enclosed herewith as the Company complies exemption criteria specified in notification No.


F. No.1/1/2014-CL-V as amended by notification dated 25<sup>th</sup> July 2017 read along with notification No. G.S.R. 583(E) dated 13<sup>th</sup> June, 2017 issued by the Ministry of Corporate Affairs.

- 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 disclosed pending litigations which may have an impact on its financial position. (Refer Note 36 to the Standalone Financial Statements)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 37 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 (Refer Note 37 to the Standalone Financial Statements)
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:  
The Company is a private company and hence, provisions of Section 197 of the Act do not apply to the Company.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

  
**Suhrud Lele**

Partner

Membership No.: 121162

UDIN: 21121162AAAAGU5893



Pune, November 01, 2021



**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 31<sup>st</sup> March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management during the year and material discrepancies noticed on such verification have been properly dealt with in the books of accounts.  
(c) The Company does not hold any immovable properties as disclosed in Note 11 to the Standalone Financial Statements. Accordingly, Clause 3(i) (c) of the Order regarding title deeds of immovable properties is not applicable.
- (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. Hence, reporting under paragraph 3 (ii) of the Order is not applicable.
- (iii) The Company has granted unsecured loans to its subsidiary Company, namely LinguaSol Private Limited (Principal amount outstanding as on March 31, 2021 is Rs. 3,18,50,000/-), 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. The schedule of repayment of principal and payment of interest has not been stipulated, and accordingly, we are unable to make any specific comment on the regularity of repayment of principal & payment of interest.
  - c. Since schedule of repayment of principal and payment of interest has not been stipulated, we are unable to make any specific comment on the total amount overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us:
  - a. The Company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 Act. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to this extent.
  - 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 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable, other than dues of Rs. 7,562/- towards Employees' Provident Fund Contribution and Rs. 7,976/- towards Employees State Insurance, which could not be deposited on account of certain technical issues, as well as Rs. 36,745/- towards equalisation levy.
- (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 31<sup>st</sup> March 2021, other than those disclosed below:

Sr No	Name of Statute	Nature of Dues	Authority where pending	Period to which it relates	Unpaid Amount (Rs.)
1	Income Tax Act, 1961	Income Tax	CPC	AY 2018-19	38,920/-
2	Income Tax Act, 1961	Income Tax	CPC	AY 2019-20	1,12,030/-

The Company has made online submissions to concerned authorities for above, and order is awaited for the same.

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from banks, financial institutions, government and there are no dues to debenture holders during the year to which paragraph 3(viii) of order applies. Accordingly, reporting under paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt






instruments) or term loans during the period. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable.

- (x) Based upon the audit procedures performed for the purpose of reporting 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, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the period.
- (xi) The Company is a 'private limited company' and therefore the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, reporting under paragraph 3 (xi) of the Order is not applicable.
- (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, transactions with related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. The Company is a 'private limited company' and therefore the provisions of Section 177 are not applicable to the Company and accordingly reporting under paragraph 3 (xiii) of the Order insofar as it relates to Section 177 of the Act is not applicable.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable.
- (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) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) of the Order is not applicable.

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration Number – 105215W / W100057

  
**Suhrud Lele**

Partner

Membership No. 121162

UDIN: 21121162AAAAGU5893



Pune, November 01, 2021



**Fidel Softech Private Limited**

CIN: U72200PN2004PTC020061

Standalone Financial Statements

Balance Sheet

as at 31 March 2021

(Currency - Indian Rupees)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	3	25,25,640	25,25,640
Reserves and surplus	4	10,06,42,718	6,61,41,738
		10,31,68,358	6,86,67,378
Non-current liabilities			
Long Term Borrowings	5	-	6,31,858
Long Term Provisions	6	77,90,033	63,56,893
		77,90,033	69,88,751
Current liabilities			
Short Term Borrowings	7	64,92,049	-
Trade payables	8	1,10,09,584	74,67,403
Other current liabilities	9	4,66,88,392	1,09,64,670
Short Term provisions	10	6,65,307	64,64,488
		6,48,55,332	2,48,96,561
<b>TOTAL</b>		<b>17,58,13,723</b>	<b>10,05,52,690</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	11	25,29,346	24,27,951
Assets under development	11	-	51,73,279
Deferred tax assets (net)		1,02,18,390	35,34,324
Non Current Investments	12	2,51,000	51,000
Long term loans and advances	13	3,63,54,000	2,59,54,000
Other Non Current Assets	14	1,04,57,012	-
		5,98,09,748	3,71,40,554
Current assets			
Short term investments	15	3,56,80,916	1,13,67,295
Trade receivables	16	2,98,79,709	2,11,60,905
Cash and bank balances	17	2,25,24,658	2,78,56,731
Short-term loans and advances	18	1,61,25,598	13,77,530
Other current assets	19	1,17,93,094	16,49,674
		11,60,03,975	6,34,12,135
<b>Total</b>		<b>17,58,13,723</b>	<b>10,05,52,690</b>

Summary of significant accounting policies

Notes to the financial statements

2

3-40

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

As per our report of even date attached

For Kirtane &amp; Pandit LLP

Chartered Accountants

FRN - 105215W/ W100057

Suhrod Lele

Partner

Membership No. : 121162

Place : Pune

Date : 01/11/2021



For and on behalf of the Board of Directors of

Fidel Softech Private Limited

CIN: U72200PN2004PTC020061

Samir Kulkarni

Director

DIN: 00752937

Place : Pune

Date : 01/11/2021

9

Prachi Kulkarni

Director

DIN: 03618459

Place : Pune

Date : 01/11/2021





**Fidel Softech Private Limited**  
CIN: U72200PN2004PTC020061  
Standalone Financial Statements  
Statement of Profit and Loss  
for the year ended 31 March 2021

(Currency - Indian Rupees)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	21	25,71,35,304	22,37,56,980
Other income	22	49,25,213	42,84,475
<b>Total Revenue</b>		<b>26,20,60,517</b>	<b>22,80,41,455</b>
Expenses			
Cost of Services	23	7,53,05,614	7,69,27,118
Employee benefits expense	24	11,94,91,910	8,47,61,761
Finance costs	25	7,51,491	12,52,245
Depreciation and amortization expense	11	14,67,375	77,05,294
Other expenses	26	1,91,42,396	1,43,42,636
<b>Total expenses</b>		<b>21,61,58,786</b>	<b>18,49,89,054</b>
<b>Profit before exceptional items and tax</b>		<b>4,59,01,731</b>	<b>4,30,52,401</b>
Exceptional items:			
<b>Profit before tax</b>		<b>4,59,01,731</b>	<b>4,30,52,401</b>
Tax expense			
Current tax		1,81,00,368	1,46,82,309
Previous Year		(15,550)	-
Deferred tax	6	(66,84,067)	(31,05,351)
<b>Profit for the year</b>		<b>3,45,00,980</b>	<b>3,14,75,443</b>

Basic and diluted loss per equity share of face value of INR 10 each (in INR)

24

136.60

124.62

Diluted loss per equity share of face value of INR 1 each (in Rs)

Summary of significant accounting policies  
Notes to the financial statements

2

3-40

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

Suhrod Lele  
Partner  
Membership No. : 121162  
Place : Pune  
Date :



For and on behalf of the Board of Directors of  
Fidel Softech Private Limited  
CIN: U72200PN2004PTC020061

Sunil Kulkarni  
Director  
DIN: 00752937  
Place : Pune  
Date :

Prachi Kulkarni  
Director  
DIN: 03618459  
Place : Pune  
Date :





(Currency - Indian Rupees)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flow from operating activities :</b>		
Profit before tax	4,59,01,731	4,30,52,401
Adjustments for:		
Depreciation and amortisation expenses	14,67,375	77,05,294
Interest income	(37,94,540)	(16,24,937)
Loss on assets sold	55,42,341	-
Loss / (profit) on sale of investments	(4,94,971)	(2,07,295)
Finance cost	7,51,491	12,52,245
	<u>34,71,595</u>	<u>71,25,507</u>
<b>Operating (loss)/profit before working capital changes</b>	<b>4,93,73,326</b>	<b>5,01,77,708</b>
<b>Changes in working capital</b>		
Decrease/(Increase) in Long term loans and advances	-	-
Decrease/(Increase) in Trade receivables	(87,18,804)	35,75,384
Decrease/(Increase) in Short-term loans and advances	(87,91,727)	(9,33,850)
Decrease/(Increase) in Other current assets	(1,01,43,419)	25,52,000
Increase/(Decrease) in Long Term Provisions	14,33,140	63,56,896
Increase/(Decrease) in Long Term borrowings	(6,31,858)	-
Increase/(Decrease) in Trade payables	35,42,181	10,42,072
Increase/(Decrease) in Other current liabilities	3,57,23,721	12,38,223
Increase/(Decrease) in Short-term provisions	(86,394)	63,61,107
	<u>6,17,00,167</u>	<u>7,03,69,540</u>
<b>Cash (used in) operations</b>	<b>(2,97,53,946)</b>	<b>(1,09,98,359)</b>
<b>Tax Expense</b>	<b>3,19,46,220</b>	<b>3,93,71,181</b>
<b>Net cash (used in) operating activities</b>	<b>(19,37,733)</b>	<b>(45,04,068)</b>
<b>Cash flow from investing activities :</b>		
Purchase of tangible fixed assets	-	17,300
Disposal of Fixed Assets	18,99,847	4,13,479
Interest received on bank deposits	(2,45,13,621)	(1,13,67,295)
Increase in investment	(1,04,57,012)	-
Increase in Non Current Deposits	(11,59,855)	(2,08,27,978)
Increase in Current Deposits	(1,04,00,000)	(91,90,312)
Increase in Loan to subsidiary	18,94,693	12,11,458
Interest received on intercorporate loans	4,94,971	2,07,295
Profit earned on sale of investments	(4,41,78,710)	(4,40,40,121)
<b>Net cash (used in) / generated from investing activities</b>	<b>64,92,049</b>	<b>(96,90,680)</b>
<b>Cash flow from financing activities :</b>		
Increase in borrowings	(7,51,491)	(12,52,245)
Finance Cost	-	22,88,798
Increase in Finance Lease	<u>57,40,558</u>	<u>(86,54,126)</u>
	<u>(4,91,931)</u>	<u>66,76,933</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>70,28,753</b>	<b>3,51,821</b>
<b>Cash and cash equivalents</b>	<b>5,36,825</b>	<b>70,28,753</b>
At the beginning of the year (refer note 17)		
At the end of the year (refer page 17)		

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

Sahrod Lale  
Partner  
Membership No. : 121162  
Place : Pune  
Date : 01/11/2021



For and on behalf of the Board of Directors of  
Fidel Softech Private Limited  
CIN: U72200PN2004PTC020061

Sunil Kulkarni  
Director  
DIN: 00752937  
Place : Pune  
Date : 01/11/2021

Prachi Kulkarni  
Director  
DIN: 03618459  
Place : Pune  
Date : 01/11/2021





(Currency - Indian Rupees)

## 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 technology solution with local language support. It specializes in analyzing business requirements, streamlining processes and developing customized IT solutions. Revenues mainly include services such as localisation, web application development and manpower staffing.

## 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.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions of the Companies (Accounting Standard) Rules, 2006 which continue to apply under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC. Further, the Company by virtue of being a SMC, is required to comply with the recognition and measurement principles prescribed by all accounting standards, but is given a relaxation in respect of certain disclosure related standards and certain disclosure requirements prescribed by

### ii) other accounting standards.

### 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

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

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 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

### Revenue from Operations

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.

## 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 measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date having maturity periods approximating to the terms of related obligations. Actuarial gain and losses are recognized immediately in the profit & loss account.

### 3) Long Term Employee Benefits

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





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

The Company has issued Stock Appreciation Rights ('SARs') to some employees vide Stock Appreciation Rights Plan in April 2018. Expenses pertaining to SARs is recognised on time-proportion basis from grant date to vesting date based upon specified service conditions set out in the company's SAR plan.

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

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

The company had not recognised the relevant expense portion as well as the liability pertaining to SARs plan in earlier financial years and accordingly the same has been recognised as prior period expense in the Financial Year 2020 - 21.

The expense and corresponding liability recognised in the financial statements for the year 2020 -21 is based on the share valuation from a registered valuer using Discounted Cash flow technique.

j) Taxes on Income

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

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

k) (i) Operating Leases

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

(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.

l) Investments

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

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

m) Provisions and contingencies

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





n) Cash flow statement

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

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

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

p) Earnings per Share

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

q) Operating Cycle:

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





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Standalone Financial Statements

Notes to the financial statements (continued)

(Currency - Indian Rupees)

**3. Share capital**

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
10,00,000 equity shares of face value of INR 10 each	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Issued, Subscribed and Paid up		
2,52,564 equity shares of face value of INR 10 each fully paid up	25,25,640	25,25,640
Total	25,25,640	25,25,640

**3.1 Reconciliation of shares outstanding**

Particulars	As at		As at	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the commencement and at the end of the year	2,52,564	25,25,640	2,52,564	25,25,640
Issued during the year				
At the end of the year	-	-	-	-
Issued and subscribed during the year				
At the end of the year	2,52,564	25,25,640	2,52,564	25,25,640

**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

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

Name of the shareholder	As at		As at	
	Number of shares	% held	Number of shares	% held
Equity Shares				
Sunil Sudhakar Kulkarni	1,90,000	75.23%	1,90,000	75.23%
Prachi Sunil Kulkarni	60,000	23.76%	60,000	23.76%





4. Reserves and surplus

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve		
At the commencement of the year	-	-
Capital Reserve on acquisition of undertaking under business transfer agreement	-	-
Balance in the Statement of Profit and Loss		
At the commencement of the year	6,61,41,738	3,46,66,295
Add: Profit/Loss for the year	3,45,00,980	3,14,75,443
Balance in the statement of profit and loss	10,06,42,718	6,61,41,738
Total	10,06,42,718	6,61,41,738

5. Long term Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Finance Lease	-	6,31,858
Total	-	6,31,858

6. Long term provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Compensated absences (Refer note 32)	13,18,490	13,04,736
Gratuity (Refer note 32)	64,71,543	50,52,157
Total	77,90,033	63,56,893

7. Short term Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Kotak Bank Over Draft Account	64,92,049	-
Total	64,92,049	-

8. Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to Micro and Small Enterprises (Refer note 30)	1,55,394	4,93,676
Dues to Creditors other than Micro and Small Enterprises	1,08,54,190	69,73,727
Total	1,10,09,584	74,67,403



9. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Finance Lease	6,31,858	16,56,950
Statutory dues payable:		
TDS payable	13,40,935	4,99,583
GST payable	-	4,43,862
Profession tax payable	30,075	1,42,264
Provident Fund Payable	3,94,694	3,34,879
Labour Welfare Fund Payable	-	5,856
ESI Payable	31,313	29,197
Equalisation Levy	36,745	23,797
Employee Dues Payable	1,07,84,696	68,71,205
Stock Appreciation Rights Payable	2,68,61,578	-
Advance from Customers	2,04,531	4,92,058
Provision for other expenses	63,71,967	4,65,019
<b>Total</b>	<b>4,66,88,392</b>	<b>1,09,64,670</b>

10. Short-term provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Tax	-	57,12,787
Compensated absences (Refer note 32)	1,46,888	1,36,955
Gratuity (Refer note 32)	5,18,419	6,14,746
<b>Total</b>	<b>6,65,307</b>	<b>64,64,488</b>





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Standalone Financial Statements

Notes to the financial statements (continued)

(Currency - Indian Rupees)

**11. Fixed Assets**

Sr No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		Gross carrying Value as on 1 April 2020	Additions/ Adjustments	Deletions/ Transfer/ Adjustments	Gross carrying Value as on 31 at March 2021	Balance as at 1 April 2020	Depreciation charge for the year	Deletions/ Transfer/ Adjustment	Balance as at 31 at March 2021	Net carrying value as at 31 March 2021	Net carrying Value as at 31 March 2020
a	Property, Plant and Equipment										
	Plant & Machinery	10,50,177	-	10,50,177	-	9,44,847	-	9,44,847	-	-	1,05,330
	Computers & Peripherals	62,12,718	18,92,500	20,53,767	60,51,451	50,66,543	8,94,769	20,93,155	38,68,156	21,83,295	11,46,175
	Computers on lease	36,15,791	45,233	2,82,071	33,78,953	26,34,417	5,64,874	1,69,819	30,49,472	3,29,480	9,61,374
	Furniture & Fixtures	8,01,376	-	8,01,376	-	6,50,233	-	6,50,233	-	-	1,51,143
	Office & Other Equipments	11,39,367	-	8,78,343	2,61,024	10,75,438	7,732	8,38,718	2,44,432	16,571	63,929
b	Total	1,28,19,429	19,37,733	50,65,734	96,91,427	1,03,91,478	14,67,375	46,96,772	71,62,080	25,29,346	24,27,951
	Intangible Assets										
	Web Application	1,60,62,161	-	1,60,62,161	-	1,08,88,881	-	1,08,88,881	-	-	51,73,279
	Total	1,60,62,161	-	1,60,62,161	-	1,08,88,881	-	1,08,88,881	-	-	51,73,279

During the year, the Company has carried out physical verification of Fixed assets, and pursuant to this material discrepancies noticed on such verification have been written off (please also refer Note 26)





(Currency - Indian Rupees)

12. Non Current Investments

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non Current Investments</b>		
Shares in LinguaSol Private Limited (Refer Note 35)	51,000	51,000
Convertible preference shares in Inuvest Financial Technologies Private Limited (Refer Note 35)	2,00,000	-
<b>Total</b>	<b>2,51,000</b>	<b>51,000</b>

13. Long Term Loans and Advances

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Long Term Loans and Advances</b>		
Loan to LinguaSol Pvt.Ltd. (Refer Note 39)	3,18,50,000	2,14,50,000
Other Deposits	45,04,000	45,04,000
<b>Total</b>	<b>3,63,54,000</b>	<b>2,59,54,000</b>

14. Other Non Current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Other Deposits in Bank	1,04,40,852	-
Interest Accrued on Deposits with banks	16,160	-
<b>Total</b>	<b>1,04,57,012</b>	<b>-</b>





(Currency - Indian Rupees)

15. Current Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Current Investments Mutual Funds (Refer Note 35)	3,56,80,916	1,13,67,295
<b>Total</b>	<b>3,56,80,916</b>	<b>1,13,67,295</b>

16. Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured and considered good unless otherwise stated)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	41,50,248	-
Other receivables Considered good	2,57,29,461	2,11,60,905
<b>Total</b>	<b>2,98,79,709</b>	<b>2,11,60,905</b>

17. Cash and bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash on hand	11,426	14,359
Balances with banks		
-on current accounts	5,25,399	70,14,394
(A)	5,36,825	70,28,753
Other bank balances		
-bank deposits with original maturity more than three months and less than twelve months.	2,19,82,870	2,04,60,642
-interest accrued on deposit	4,963	3,67,336
(B)	2,19,87,833	2,08,27,978
<b>Total</b>	<b>2,25,24,658</b>	<b>2,78,56,731</b>

**\* Details of bank balances/deposits**

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'.	5,25,399	70,14,394
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'.	2,19,87,833	2,08,27,978
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	1,04,57,012	-
<b>Total</b>	<b>3,29,70,244</b>	<b>2,78,42,372</b>





(Currency - Indian Rupees)

18. Short-term loans and advances

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good unless otherwise stated)		
Balance with GST authorities	87,84,167	-
Balance with PF authorities	-	2,91,017
Prepaid expenses	6,23,776	2,50,704
Advance income tax and tax deducted at source (net of provisions)	59,56,341	-
Other Deposits	7,61,314	8,35,809
<b>Total</b>	<b>1,61,25,598</b>	<b>13,77,530</b>

19. Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured, considered good unless otherwise stated)		
Unbilled revenue	85,50,237	-
Advances to Suppliers	14,840	1,26,880
Interest accrued on intercorporate loan to Linguasol	32,28,017	15,22,794
<b>Total</b>	<b>1,17,93,094</b>	<b>16,49,674</b>





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Notes to the financial statements (continued)

(Currency - Indian Rupees)

20. Deferred tax Liabilities/Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Asset on :		
Depreciation	12,53,726	5,15,799
Provision for Employee benefits	21,28,040	17,89,091
On account of lease rent	76,102	3,79,590
Other Disallowances	67,60,522	8,49,843
Deferred tax: (Liability)/Asset	1,02,18,390	35,34,323





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Notes to the financial statements (continued)

(Currency - Indian Rupees)

**21. Revenue from Operations**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Domestic Sales & Services	3,37,12,270	3,93,82,546
Export Sales & Services	22,34,23,034	18,43,74,434
<b>Total</b>	<b>25,71,35,304</b>	<b>22,37,56,980</b>

**22. Other income**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Deposits	18,99,847	4,13,479
Interest on Loan to Linguasol	18,94,693	12,11,458
Short Term Capital Gain	4,94,971	2,07,295
Discount	-	1,67,859
Foreign Exchange Gain	-	15,72,519
Miscellaneous Income	2,08,777	67,385
Adjustment of Leased Assets/Liabilities	4,26,925	6,44,480
<b>Total</b>	<b>49,25,213</b>	<b>42,84,475</b>





(Currency - Indian Rupees)

23. Cost of Services

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Broadband & Other Direct Expenses	18,14,398	7,88,390
Computer Rent	7,94,230	6,82,468
Office Rent	1,06,78,400	1,15,49,262
Electricity & Water Charges	-	5,55,199
Professional Fees	6,19,31,016	6,32,09,813
Telephone Expenses	87,570	1,30,451
HouseKeeping Expenses	-	11,535
<b>Total</b>	<b>7,53,05,614</b>	<b>7,69,27,118</b>

24. Employee Benefit Expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, allowances and bonus	8,06,93,427	7,54,96,498
Stock Appreciation Rights (Related to Prior Period: INR 2,17,23,844)	2,68,61,578	-
Salaries, allowances and bonus - Directors	72,00,006	42,19,992
Contribution to Provident and other Funds (also refer Note 32)	23,04,520	19,56,778
Staff welfare expenses	24,32,379	30,88,493
<b>Total</b>	<b>11,94,91,910</b>	<b>8,47,61,761</b>

25. Finance Costs

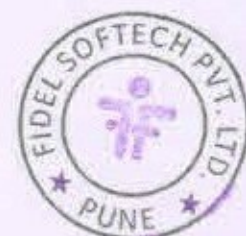
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Over draft	4,13,137	6,28,079
Finance Lease Charges	1,25,954	6,06,458
Other processing costs	2,12,400	17,708
<b>Total</b>	<b>7,51,491</b>	<b>12,52,245</b>





## 26. Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Legal and professional fees	11,68,060	6,92,481
Travelling expenses	11,18,393	49,20,017
License Fees	81,208	2,66,226
Rates and taxes	4,51,479	55,73,352
Equalisation Levy	16,857	-
Books and Periodicals	7,67,500	29,892
Courier Charges	3,833	27,571
Insurance Charges	1,94,875	1,88,829
Membership and Subscription Charges	1,00,000	32,000
Bank Charges	4,25,949	3,55,005
Office Expenses	49,504	70,775
Repairs and Maintenance	45,280	-
Miscellaneous Expenses	52,177	60,431
Tangible and Intangible Assets written off (Also Refer Note 11)	54,29,989	-
Advertising and Marketing Expense	11,31,815	11,67,691
Audit Fees	3,00,000	3,70,000
Printing and Stationery	7,99,063	2,17,391
Brokerage and Commission	-	16,000
Bad Debts	48,52,389	3,54,975
Foreign Exchange Gain and Loss	21,54,025	-
<b>Total</b>	<b>1,91,42,396</b>	<b>1,43,42,636</b>





(Currency - Indian Rupees)

27 Earnings per share

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Net profit for the year attributable to equity shareholders	A	3,45,00,980	3,14,75,443
Weighted average number of equity shares of face value of Rs 10 each outstanding during the year	B	2,52,564	2,52,564
Basic and Diluted profit per equity share of face value Rs 10 each (in INR)	(A/B)	136.60	124.62

28 Auditors' remuneration

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
As auditor			
Statutory audit		2,50,000	1,50,000
Tax audit		50,000	50,000
For Other Services		-	1,70,000
Total		3,00,000	3,70,000

29 Earnings in foreign currency (accrual basis)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Sale of Services			
- Underwriter Translation		20,75,89,116	16,40,54,085
- Software Professional Fees/Services		29,74,785	2,03,92,150
- Manpower Recruitment Services		5,97,898	-
Total		21,11,61,799	18,44,46,235

30 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, there is no amount of 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.

30a Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,55,394	4,93,676
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest	-	-





(Currency - Indian Rupees)

31 Related party disclosures

- a) Key management personnel and persons exercising significant influence:  
1 Prachi Kulkarni  
2 Sunil Kulkarni
- b) Enterprises under Common Control  
1 Fidel Technologies KK  
2 Fidel Consulting KK  
3 CoolPro International Private Limited  
4 Linguanext Technologies Pvt. Ltd
- c) Subsidiary company  
1 LinguaSol Private Limited
- d) Disclosure of related party transactions:

Sr. No.	Nature of transaction	31 March 2021	31 March 2020
		Amount	Amount
1	<u>Fidel Consulting KK</u> Export of Services	29,74,785	47,76,750
2	<u>Fidel Technologies KK</u>	-	1,56,15,400
3	<u>LinguaSol Private Limited</u> Loan to LinguaSol Interest accrued during the year on loan Underwriter Translation & Manpower Recruitment Services Software Professional Services	1,04,00,000 18,94,693 30,56,800 27,38,300	81,00,000 12,11,458 - -
4	<u>CoolPro International Private Limited</u> Books Newspapers & Periodicals Purchased	15,52,500	-
5	<u>Sunil Kulkarni</u> Directors Remuneration	36,00,003	21,07,596
6	<u>Prachi Kulkarni</u> Directors Remuneration	36,00,003	21,07,596
	<b>Total</b>	<b>2,98,17,084</b>	<b>5,39,10,600</b>

e) Amount due to/from related parties

Sr. No.	Nature of transaction	As at 31 March 2021	As at 31 March 2020
		Amount	Amount
1	Receivables (Net) <u>LinguaSol Private Limited</u> Loan to LinguaSol (Receivable) Interest accrued during the year on loan (Receivable) Underwriter Translation & Manpower Recruitment Services (Receivable)	3,18,50,000 32,28,017 33,95,257	2,14,50,000 15,22,794 5,30,946
		<b>3,84,73,274</b>	<b>2,35,03,740</b>
2	Payable (Net) Remuneration Payable to Prachi Kulkarni Remuneration Payable to Sunil Kulkarni	6,13,007 6,13,007	1,62,612 1,62,612
		<b>12,26,014</b>	<b>3,25,224</b>





(Currency - Indian Rupees)

### 32 Employee Benefits

#### b) Defined contribution plans

The Company has recognised INR 20,79,182 (2020: INR 17,82,547) towards provident fund, INR 3,528 (2020: INR 4,392) towards labour welfare fund and INR 2,21,810 (2020: INR 1,69,839) towards employee state insurance in the Statement of Profit and Loss.

#### c) Defined benefit plans

##### Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company was required to provide post employment benefit to its employees in the form of gratuity. The disclosures relating to actuarial assumptions in accordance with AS 15 (Revised) are provided below:

	31-Mar-21 IALM(2012-14) ult	31-Mar-20 IALM(2012-14) ult
Mortality table		
Discount rate	0.063	0.06
Rate of increase in compensation levels	0.1	0.1
Expected average remaining working lives of employees (in years)	9.03	9.1
Retirement Age	60 years	60 years
<b>Withdrawal Rate</b>		
Age upto 30 years	0.1	0.1
Age 31 - 40 years	0.1	0.1
Age 41 - 50 years	0.1	0.1
Age above 50 years	0.1	0.1

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-21	31-Mar-20
Present Value of Benefit Obligation at the Beginning of the Period	56,66,906	49,36,315
Interest Cost	3,38,506	3,53,372
Past Service Cost	-	-
Service cost Curtailment	9,75,705	8,62,231
Actuarial (Gains)/Losses on Obligations	59,125	88,345
Benefits Paid	(50,277)	(5,73,357)
Present Value of Benefit Obligation at the End of the Period	69,89,965	56,66,906

Expenses Recognized in the Statement of Profit or Loss for Current Period	31-Mar-21	31-Mar-20
Current Service Cost	9,75,705	8,62,231
Net Interest Cost	3,38,506	3,53,372
Actuarial (Gains)/Losses	59,125	88,345
Past Service Cost	-	-
Expenses Recognized in the Statement of Profit or Loss	13,73,336	13,03,948





(Currency - Indian Rupees)

	31-Mar-21	31-Mar-20
Balance Sheet Reconciliation		
Opening Net Liability	(56,66,906)	(49,36,315)
Expense Recognized in Statement of Profit or Loss	(13,73,336)	(13,03,948)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	50,277	5,73,357
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	-6989965	(56,66,906)

**Leave Encashment:**

	31-Mar-21	31-Mar-20
Data Summary		
Number of Employees	147	125
Total Salary (Leave Encashment)	17,33,299	18,66,140
Total Salary (Leave Availment)	85,72,491	56,17,915
Average Age	33.05	32.08
Average Past Service	3.48	3.31
Total Leave Days	2015	1299

	31-Mar-21	31-Mar-20
Valuation Results		
Discontinuance Liability	9,94,000	10,61,000
Projected Benefit Obligation	14,65,378	14,41,691

	31-Mar-21	31-Mar-20
Current & Non-Current Liability		
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	1,46,888	1,36,955
Non-Current Liability	13,18,490	13,04,736

	31-Mar-21	31-Mar-20
Valuation Assumptions		
(i) Financial Assumptions		
Salary Escalation Rate		
For first year	00.00% p.a.	00.00% p.a.
For subsequent years	10.00% p.a.	10.00% p.a.
Discount Rate	6.30% p.a. (Indicative G. Bonds referenced on 31-03-2021)	6.00% p.a. (Indicative G. Bonds referenced on 31-03-2020)
(ii) Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

**33. Operating Lease**

Particulars *	31 March 2021 Amount	31 March 2020 Amount
Lease payment debited to Statement of Profit & Loss (Net of GST)	1,14,72,630.00	1,22,31,730.00
Lease obligation in respect of non-cancellable leases is as follows:		
- Not later than one year	1,31,77,500.00	1,25,50,000.00
- Later than one year and Not Later than five years	11,02,500.00	1,42,80,000.00
- Later than five years	0	0





(Currency - Indian Rupees)

34 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:

Particulars	Currency	Amount in foreign currency	Equivalent Amount in Indian Rupees	Amount in foreign currency	Equivalent Amount in Indian Rupees
		31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Trade Receivables	EUR	21,325	18,33,110	36,033	29,92,543
Trade Receivables	JPY	32,52,631	21,61,438	33,853	23,579
Trade Receivables	SGD	-	-	2,869	1,50,401
Trade Receivables	USD	1,65,617	1,21,29,158	1,37,521	1,03,67,111
Trade Payables	JPY	23,23,838	15,44,237	-	-
Trade Payables	USD	14,707	10,77,059	4,651	3,49,103

35 Investments

A) Investments in Equity Instruments

i) Unlisted

Sr. No.	Particulars	Nos	Per Unit value	Value as per books of accounts	
				31st March 2021	31st March 2020
1	Shares-Lingusol Pvt Ltd	5,100	10	51,000	51,000

B) Investments in Preference Shares

Sr. No.	Particulars	Nos	Per Unit value	Value as per books of accounts	
				31st March 2021	31st March 2020
1	Shares-Invest Financial Technologies Pvt Ltd	20,000	10	2,00,000	-

C) Investments in Mutual Funds

Sr. No.	Particulars	Nos	Per Unit value	Market Value as on 31st March 2021	Book Value as on 31st March 2021	Market Value as on 31st March 2020	Book Value as on 31st March 2020
1	Kotak Balanced Advantage Fund Regular Plan Growth	1,31,238.52	11.43	17,29,724	15,00,000	-	-
2	Invesco India Growth Opportunities Fund Growth	2,081.08	38.44	90,569	80,000	-	-
3	Kotak Equity Opportunities Fund Regular Plan Growth(Erstwh	569.01	140.60	92,953	80,000	-	-
4	Axis Liquid Fund Growth	3,027.98	2,245.72	68,81,781	68,00,000	-	-
	Tata Liquid Fund Regular Plan Growth						
5	(Erstwhile Tata Money Market Fund )	481.51	3,182.36	15,52,759	15,32,337	-	-
	Dsp Mid Cap Fund Regular Plan Growth						
6	(Erstwhile Dsp Blackrock Small And Mid Cap )	1,198.03	66.78	91,386	80,000	-	-
7	Hdfc Ultra Short Term Fund Regular Plan GrowthFunds	4,10,223.78	11.71	48,61,152	48,04,682	-	-
	Icici Prudential Savings Fund Growth						
8	(Erstwhile Icici Prudential Funds Flexible Income )	3,814.24	398.38	15,86,724	15,19,518	5,45,001	5,33,096
	Sbi Magnum Ultra Short Duration Fund Regular Plan Growth						
9	(Erstwhile Sbi Magnum Insta Cash )	348.92	4,562.92	16,32,185	15,92,094	-	-
10	Icici Prudential Multicap Fund Growth	264.45	302.51	94,554	80,000	-	-
11	Kotak Esg Opportunities Fund Regular Plan Growth	1,49,992.50	10.00	15,68,922	15,00,000	-	-
	Axis Corporate Debt Fundgrowth						
12	(Erstwhile Axis Corporate Debt Opportunities )	1,37,389.60	13.10	18,10,795	17,99,564	-	-
	Icici Prudential Short Term Fund Growth Option						
13	(Erstwhile Icici Prudential Short Term )	1,38,888.66	43.20	63,69,434	60,00,000	20,63,001	20,00,000
14	Sbi Short Term Debt Fund Regular Plan Growth	2,17,614.02	24.36	54,44,703	53,00,000	15,48,998	15,00,000
	ICICI Prudential All season Bond						
15	(Erstwhile ICICI prudential long term)	61,232.00	24.63	17,11,434	15,08,246	15,80,096	15,08,246
16	ICICI Prudential Banking and PSU Debt Fund Growth	196.77	22.74	4,915	4,475	4,567	4,475
17	Sundaram Corporate Bond Fund- Regular - Growth	53,515.24	28.03	16,73,957	15,00,000	15,54,730	15,00,000
18	L&T Triple Ace Bond Fund -Growth	21,057.16	30.76	-	-	11,18,266	10,68,773
19	ABSL Banking & PSU Debt	5,959.85	255.19	-	-	15,69,391	15,20,902
20	ABSL Money Manager Fund	1,997.21	267.46	-	-	5,35,286	5,28,820
21	ICICI Prudential Liquid Fund Growth	4,135.89	290.57	-	-	12,14,963	12,02,983
				3,71,97,947	3,56,80,916	1,17,34,299	1,13,67,295





(Currency - Indian Rupees)

36 Contingent Liabilities to the extent not provided for:

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Disputed Direct Tax matters:</b>		
AY 2018-19 (Pending before CPC)	38,920	38,920
AY 2019-20 (Pending before CPC)	1,12,030	1,12,030

37 (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.

38 The spread of COVID-19 has severely impacted businesses around the globe, including India. In the current financial year, the Company has restarted its operations in compliance with relevant government regulations.  
The Company has evaluated its liquidity position and recoverability and carrying values of its assets and has concluded that no material adjustments are required at this stage in the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

39 The Company had granted unsecured long term loan to LinguaSol Private Limited ("LinguaSol") in current year as well as previous year's out of which principal amount of Rs. 3,18,50,000 and accrued interest of Rs. 32,28,017/- is outstanding as at March 31, 2021 (Principal amount Rs. 2,14,50,000 and interest of Rs. 15,22,794 as at March 31, 2020). Also, LinguaSol is a subsidiary of the Company, and the Company has made an investment of Rs 51,000 (representing 51% of share capital) in Equity share capital of LinguaSol in earlier years.  
Basis the financial statements as at March 31, 2021, LinguaSol has incurred a net loss of Rs. 4,59,36,174/- during the year ended March 31, 2021 and as of that date, the Company's total liabilities exceed its total assets by Rs. 4,00,47,340/- indicating erosion of Networth.  
These conditions indicate the existence of a material uncertainty that may cast doubt on the Company's ability to recover outstanding loan. The Management of LinguaSol has plans for curtailing the operating costs, whose effects would start accruing gradually in the FY 2021-22. Also LinguaSol is trying to augment its revenue and continues to receive orders on hand. Further, the Company (being holding Company of LinguaSol) has undertaken to provide assistance to LinguaSol for meeting working capital deficiencies for a period of not less than 12 months from the reporting date.  
Therefore, in light of steps listed above taken together with future projection of cashflows, the Management of LinguaSol is confident of turnaround.  
Accordingly, the Company has not considered any adjustments including provision for impairment to the carrying value of the loan (including interest outstanding) and investment as at the year end.

40 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

Suhrid Lele  
Partner  
Membership No. : 121162  
Place : Pune  
Date : 01/11/2021



For and on behalf of the Board of Directors of  
Fidel Softech Private Limited  
CIN: U72200PN2004PTC020061

Sunil Kulkarni  
Director  
DIN: 00752937  
Place : Pune  
Date : 01/11/2021

Prachi Kulkarni  
Director  
DIN: 03618459  
Place : Pune  
Date : 01/11/2021

