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Statutory reports

Management discussion and analysis

Fractal is a globally recognized pure-play enterprise AI company trusted by 100+ Fortune 500®-sized enterprises to power decision-making through AI services, solutions, and products, anchored by Cogentiq, our flagship agentic AI platform. Fractal designs, builds and delivers end-to-end AI solutions for our clients across industries leveraging our technical, domain and functional capabilities and expertise built over our operating history of over 26 years. Our domain expertise spans across our focus industries of consumer-packaged goods ("CPG") & retail (together with CPG, "CPGR"), technology, media and telecom ("TMT"), healthcare and life sciences ("HLS"), banking, financial services and insurance ("BFSI") and Others (Industrials, Energy, Travel and others).

Industry structure and developments

The Data, Analytics and AI (DAAI) services market remains a strategic priority for enterprise digital transformation. The market accounted for an estimated 31.9% (US$143 billion or ₹12 trillion) of total third-party digital services spend in Fiscal 2025 and is expected to reach 44.1% (US$310 billion or ₹26 trillion) by Fiscal 2030. Within DAAI, the core AI-led services segment accounted for 32.1% (US$46 billion or ₹4 trillion) in Fiscal 2025 and is projected to reach 55.4% (US$172 billion or ₹14 trillion) by Fiscal 2030. Generative AI is driving outsized growth, with Gen AI-led services estimated at US$14 billion (₹1 trillion) in Fiscal 2025, expected to grow at approximately 53% CAGR through Fiscal 2030.

Business Overview

Founded in 2000, we are a globally recognized enterprise artificial intelligence ("AI") company (source: Everest Report), with a vision to power human decisions in our clients' enterprises by leveraging AI. We support large global enterprises with data-driven insights and assist them in their decision making through our end-to-end AI solutions. We build our AI solutions by leveraging our technical, domain and functional capabilities built over our operating history of over 26 years. As of March 31, 2026, our full suite of AI solutions is organized under two segments: Fractal.ai (comprising AI services and AI products primarily hosted on Cogentiq) and Fractal Alpha (comprising AI businesses). Through these two segments, we cater to the diverse business needs of our clients across industries and business functions.

We work with large global enterprise clients to help them navigate the entire life cycle of AI transformation from ideation to adoption to drive decisions in the enterprise. We aim to become a trusted partner to our clients. We focus on our "Must Win Clients" ("MWC"s), who we define as our clients (i.e. we recognised revenue from them in the trailing 12 months) who are enterprises that meet one of three criteria: (1) over US$10 billion in annual revenue, (2) over US$20 billion in market capitalization, or (3) over 30 million end-customers. As of March 31, 2026, we served 104 MWCs.

Our domain expertise spans across our focus industries of consumer-packaged goods ("CPG") & retail (together with CPG, "CPGR"), technology, media and telecom ("TMT"), healthcare and life sciences ("HLS") and banking, financial services and insurance ("BFSI"). As of March 31, 2026, we worked with nine of the top 20 CPG companies, six of the top 20 TMT companies, three of the top 20 BFSI companies, eight of the top 20 HLS companies and five of the top 20 retail companies based on Fiscal 2025 revenue.

We are a client-centric company, which focuses on prioritizing our clients' success and creating long-term value for them. Our "client first" value is reflected in the tenure of our relationship with our top clients and our Net Promoter Score ("NPS") based on client surveys. We have served our top ten clients by revenue in the year ended March 31, 2026 (who contributed 52.5% to our revenue from operations in our Fractal.ai segment) for an average of more than eight years. Our NPS for our Fractal.ai segment was 78 and 77 in FY26 and FY25 respectively.

Fractal.ai

For our Fractal.ai offerings, we typically enter into master service agreements ("MSAs") that govern the overall relationship and terms of arrangement with the client. For each engagement under the MSA, we enter a separate statement of work ("SOW") with the client. These SOWs define the scope, timing, pricing terms and performance criteria for each individual engagement under the respective MSA. Our MSAs have three principal types of pricing models: (i) time and material; (ii) fixed price, and (iii) output based, depending largely on a client's preference and internal specifications. The fees we charge our clients depend on the type of contracts, the type of engagement, the AI offering provided to a client, the mix, and locations of personnel involved.

Fractal Alpha

For our AI products, we enter contracts based on different pricing models, such as licensing fees, subscription fees, fixed price, time and material contracts, or a combination of these pricing models. For example, for some of our AI products we charge an implementation fee and a post- implementation fee for installations, training and maintenance and support services. For many of our AI products services, the contracts typically have a term of two to three years.

Our Strengths

- Globally recognized pure-play enterprise AI company
- Strategic long-term partnerships with marquee clients across industries
- Strong vertical and functional expertise across CPGR, TMT, HLS and BFSI
- Deep AI R&D powering solutions, products and platform

- Culture of trust, transparency and freedom to nurture great talent
- Founders-led management team focused on building Fractal for the long-term

Outlook

As we begin FY27, we are building on a solid foundation that enhances our ability to drive revenue synergies.

Unified GTM: We sharpened this into three pillars, one platform, one go-to-market: AI-led Transformation (AIT), AI Foundations (AIF), and AI Work & Workforce (AIW) - addressing the three dimensions every enterprise must get right to scale AI: reimagining business processes, modernizing technology foundations, and enabling workforce transformation.

Each pillar is delivered through integrated teams of AI, engineering, design, and domain specialists, with Cogentiq, our flagship agentic AI platform, powering solutions across all three. One go-to-market through a common commercial office brings them to clients as a single, integrated capability – rather than three separate practices – enabling enterprises to scale AI adoption, accelerate value creation, and drive sustainable business transformation.

Pillar 1 - AI-led Transformation (AIT)

The process dimension: helping clients reimagine business workflows with AI to drive measurable outcomes.

Pillar 2 - AI Foundations (AIF)

The technology dimension: driving higher performance of AI models with enterprise data, including governance, responsible AI, and technology modernization.

Pillar 3 - AI Work & Workforce (AIW)

The people dimension building enterprise-wide AI fluency and proving its business value.

Each business unit is accountable for client impact and orchestrates the AIT-Functional, AIT-Customer, AIF and AIW teams behind the scenes to deliver software driven, industry contextualized solutions to the clients.

Cogentiq Platform: With Cogentiq, platform revenue is expected to accelerate, driving margin expansion further in FY27.

Fractal Alpha Momentum: Product businesses growing 40%+ represent high-margin, scalable revenue streams expected to contribute meaningfully to portfolio margin expansion in FY27.

Capital Deployment: Strong cash position (₹20.5 billion) enables disciplined inorganic growth through M&A while maintaining financial flexibility for organic investments in R&D, talent, and infrastructure.

Looking back on our accomplishments and forward to the future, we are confident that the insights gained and strategies implemented will enable us to execute more effectively in FY27. We are eager to embrace upcoming opportunities and remain committed to maximizing every chance that comes our way.

Opportunities

1. Enterprise AI Transformation Acceleration: Despite macrœconomic uncertainty, enterprises prioritize AI-led transformation to drive competitive advantage, margin expansion, and operational agility. The stickiness of revenue represented in Must-win-client count, long average tenure of top clients, net revenue retention and NPS demonstrates enterprises' commitment to long-term AI partnerships.
2. Platform Monetization: Cogentiq adoption is transitioning from POC to production deployment, creating recurring, high-margin revenue streams across AIT, AIF, and AIW pillars.
3. Vertical Expansion: Healthcare & Life Sciences growth (13.8% to 19.3% of revenue) and European market acceleration (17.7% to 19.9% of revenue) signal successful vertical and geographic expansion.
4. Fractal Alpha Scaling: Fractal Alpha's adjusted segment losses have narrowed consistently: ₹ 539 million (FY23) → ₹ 443 million (FY24) → ₹ 257 million (FY25) → ₹ 146 million (FY26), a 43% reduction year-on-year in FY26, even as investments in sales and R&D continued. The segment is on a clear path toward profitability with a structurally improving margin profile.
5. M&A Optionality: Strong cash position (₹20.5 billion) enables disciplined inorganic growth to acquire complementary capabilities, verticals, or geographies.

Threats and Risk Mitigation

1. Enterprise Budget Constraints: Macrœconomic headwinds and cost pressures may slow AI spending. Mitigation: Long-term client relationships (8+ years avg.), outcomes-based pricing, and portfolio diversification across verticals and geographies.
2. Talent Scarcity: AI engineering and domain expertise remain constrained. Mitigation: Strong culture (GPTW), competitive compensation, ESOP participation, and continuous R&D investment (6.4% of revenue).
3. Technology Disruption: Rapid evolution of AI models and platforms. Mitigation: Active R&D investments, platform-first strategy with Cogentiq, and functional/domain expertise that compounds technology value.
4. Competitive Intensity: Traditional IT services and new AI entrants. Mitigation: Pure-play AI company, deep vertical expertise, proven outcomes, and founder-led culture.

Financial Performance Overview

We have achieved consistent revenue growth. Our revenue from operations increased by 19.3% to ₹32,997 million in the year ended March 31, 2026 from ₹27,654 million in the year ended March 31, 2025. Our PAT Margin was 8.7% and 8.0% in the year ended March 31, 2026 and March 31, 2025 respectively.

Our Adjusted PAT Margin was 13.2% and 12.6% in the year ended March 31, 2026 and March 31, 2025, respectively. Our EBITDA Margin was 14.8% and 14.4% in the year ended March 31, 2026 and March 31, 2025, respectively. Our Adjusted EBITDA Margin was 17.6% and 17.4% in the year ended March 31, 2026 and March 31, 2025, respectively.

The following table provides a snapshot of our performance over the years and as at the dates indicated.

S. No.	Key Performance Indicators	Unit	FY23	FY24	FY25	FY26
	Financial Measures					
	Our Group					
1.	Revenue from operations	INR million	19,854	21,963	27,654	32,997
2.	Growth in revenue from operations from previous Fiscal	%	NA	10.6%	25.9%	19.3%
3.	Cash flow from operations	INR million	-306	1,595	3,970	4,090
4.	Profit/ (Loss) for the year	INR million	1,944	-547	2,206	2,868
5.	PAT Margin	%	9.8%	-2.5%	8.0%	8.7%
6.	Adjusted PAT	INR million	540	-45	3,478	4,356
7.	Adjusted PAT Margin	%	2.7%	-0.2%	12.6%	13.2%
8.	EBITDA	INR million	4,368	972	3,980	4,899
9.	EBITDA Margin	%	22.0%	4.4%	14.4%	14.8%
10.	Adjusted EBITDA	INR million	1,343	2,321	4,821	5,812
11.	Adjusted EBITDA Margin	%	6.8%	10.6%	17.4%	17.6%
	Fractal.ai segment					
12.	Revenue from operations	INR million	19,691	21,615	27,037	32,190
13.	Growth in revenue from operations from previous Fiscal	%	NA	9.8%	25.1%	19.1%
14.	Revenue in Fractal.ai segment by industry					
	CPGR (Consumer Packaged Goods and Retail)	INR million	8,047	9,038	10,615	11,924
	TMT (Technology, Media, & Telecom)	INR million	5,563	5,867	8,087	8,035
	HLS (Healthcare and Life Sciences)	INR million	2,188	3,013	3,745	6,215
	BFSI (Banking, Financial Services and Insurance)	INR million	2,842	2,325	2,980	3,924
	Others	INR million	1,051	1,372	1,610	2,092
15.	Revenue in Fractal.ai by industry, as a % of revenue					
	CPGR (Consumer Packaged Goods and Retail)	%	40.9%	41.9%	39.3%	37.0%
	TMT (Technology, Media, & Telecom)	%	28.3%	27.1%	29.9%	25.0%
	HLS (Healthcare and Life Sciences)	%	11.1%	13.9%	13.8%	19.3%
	BFSI (Banking, Financial Services and Insurance)	%	14.4%	10.8%	11.0%	12.2%
	Others	%	5.3%	6.3%	6.0%	6.5%
16.	Revenue in Fractal.ai segment by geography					
	Americas	INR million	13,221	13,791	17,988	21,665
	Europe	INR million	3,333	4,291	4,792	6,412
	APAC and others	INR million	3,137	3,533	4,257	4,113
17.	Revenue in Fractal.ai by geography, as a % of revenue					
	Americas	%	67.2%	63.8%	66.5%	67.3%
	Europe	%	16.9%	19.9%	17.7%	19.9%
	APAC and others	%	15.9%	16.3%	15.8%	12.8%

S. No.	Key Performance Indicators	Unit	FY23	FY24	FY25	FY26
	Financial Measures					
	Our Group					
18.	Segment results – Fractal.ai segment	INR million	-315	1,233	3,788	5,409
19.	Segment results – Fractal.ai segment, as a % of revenue from operations - Fractal.ai segment	%	-1.6%	5.7%	14.0%	16.8%
20.	Adjusted segment results – Fractal.ai segment	INR million	2,115	2,769	5,084	6,114
21.	Adjusted segment results Margin – Fractal.ai segment	%	10.7%	12.8%	18.8%	19.0%
	Fractal Alpha segment					
22.	Revenue from operations	INR million	190	365	644	908
23.	Growth in revenue from operations from previous Fiscal	%	NA	92.1%	76.4%	41.0%
24.	Segment results – Fractal Alpha segment	INR million	-616	-494	-283	-170
25.	Segment results – Fractal Alpha segment, as a % of revenue from operations - Fractal Alpha segment	%	-324.2%	-135.3%	-43.9%	-18.7%
26.	Adjusted segment results – Fractal Alpha segment	INR million	-539	-443	-257	-146
27.	Adjusted segment results Margin – Fractal Alpha segment	%	-283.7%	-121.4%	-39.9%	-16.1%
	Operational KPI					
	Our Group					
28.	Total Employees	Number	4,221	4,639	5,254	5,868
	Fractal.ai segment					
29.	Net Revenue Retention	%	151.0%	110.2%	121.3%	117.4%
30.	Clients by annual revenue contribution					
	>US$20 million	Number	1	2	5	6
	>US$10 million	Number	5	5	6	9
	>US$5 million	Number	10	11	15	19
	>US$1 million	Number	45	48	53	59
31.	Client concentration					
	Top 10	INR million	10,064	11,809	14,537	16,885
	Top 10	%	51.1%	54.6%	53.8%	52.5%
	Top 20	INR million	13,194	15,114	18,831	22,678
	Top 20	%	67.0%	69.9%	69.6%	70.5%
32.	Net Promoter Score	Score	73	77	77	78

FY26 has witnessed 19.3% revenue growth and EBITDA growth of 23.1% and 0.5pts increase YoY. Fractal.ai revenue contributed to the majority of the growth with scaled client relationships, new client's acquisitions and large deals contribution. The increase is primarily attributable to growth in revenue from existing clients (demonstrated by our Net Revenue Retention of 117.4% in FY26), increase in the number of clients and our ability to charge a higher price for AI services and AI products.

Year	FY26	FY25	Growth (%)
Revenue	32,997	27,654	19.3%

Net Revenue Retention in our Fractal.ai segment measures how effectively we retain and expand revenue from our existing clients over a defined period and is calculated by comparing the current period's revenue from the same set of clients who existed at the start of the period, with their revenue in the previous period- including the effects of upsells, cross-sells and contractions. The table below sets out our Net Revenue Retention for FY25 and FY26 indicated.

Year	FY26	FY25
NRR	117.4%	121.3%

We have sustained a superior Net Promoter Score in FY26 which is a key testimony to our client success and increases our ability to acquire, retain and expand client relationships significantly.

Year	FY26	FY25
NPS	78	77

Fractal.ai segment grew by 19% in FY26 with INR 32,190m vs INR 27,037m in FY25. Fractal Alpha has experienced higher growth of 41.0% with INR 908m in FY26 vs INR 644m in FY25. Fractal Group thereby grew by 19.3% in FY26 with INR 32,997m vs INR 27,654m in FY25.

Year	Fractal.ai	Fractal Alpha	Intersegment elimination	Total (Group)
FY26	32,190	908	(101)	32,997
FY25	27,037	644	(27)	27,654

Geographical revenue basis location of the customer with majority from America with 67.3% of the revenue in FY26 vs 66.5% revenue in FY25 with growth of 20.4% in revenue from Americas in FY26 vs FY25. APAC and other regions contributed to 12.8% in FY26 vs 15.8% in FY25. Europe and UK contributed to 19.9% in FY26 vs 17.7% in FY25 with growth of 33.8% in FY26 revenue vs FY25.

Geography	FY26	FY25	FY26 %	FY25 %
America	21,665	17,988	67.3%	66.5%
APAC & Others	4,113	4,257	12.8%	15.8%
Europe & UK	6,412	4,792	19.9%	17.7%
Revenue	32,190	27,037	100.0%	100.0%

Consumer packaged goods and retail continue to be the highest contribution vertical with 37.0% of the revenue in FY26 vs 39.3% in FY25. Owing to client specific issues in FY26, the contribution of Tech, Media and Telecommunication declined to 25.0% in FY26 vs 29.9% in FY25. Healthcare and life sciences industry vertically contributed to 19.3% of revenue in FY26 vs 13.8% in FY25.

Industry	FY26	FY25
CPGR (Consumer products goods and retail)	37.0%	39.3%
BFSI (Banking, financial services and Insurance)	12.2%	11.0%
HLS (Healthcare and life sciences)	19.3%	13.8%
TMT (Technology, Media & Telecom)	25.0%	29.9%
Others	6.5%	6.0%
Total	**100.0%**	**100.0%**

We have consistently worked on programs with clients to derive measurable value for them across verticals and functional areas. We have expanded our client count across annual revenue contribution scale.

Clients by annual revenue contribution	FY26	FY25
>US$20 million	6	5
>US$10 million	9	6
>US$5 million	19	15
>US$1 million	59	53

We continue to invent and invest on behalf of our clients, research and development investments remain a critical priority for the company with 6.4% of the revenue being invested in it in FY26 and 5.2% in FY25. This investment goes towards AI solutions and accelerator development in Fractal.ai as well as product development in Fractal Alpha.

	FY26	FY25
R&D %	6.4%	5.2%

	Year ended				
	March 31, 2026		March 31, 2025		
Particulars	Amount	% Revenue	Amount	% Revenue	YoY %
Income					
Revenue from operations	32,997	100.0%	27,654	100.0%	19.3%
Other Income	629	1.9%	508	1.8%	23.8%

Particulars	Year ended March 31, 2026 Amount	% Revenue	March 31, 2025 Amount	% Revenue	YoY %
Total Income	**33,626**	**101.9%**	**28,162**	**101.8%**	**19.4%**
Expenses					
Employee benefit expense	22,914	69.4%	20,048	72.5%	14.3%
Employee stock option expense	634	1.9%	798	2.9%	-20.6%
Finance costs	474	1.4%	577	2.1%	-17.9%
Depreciation and amortisation expense	1,358	4.1%	1,023	3.7%	32.7%
Other expenses	4,366	13.2%	3,309	12.0%	31.9%
Total Expenses	**29,746**	**90.1%**	**25,755**	**93.1%**	**15.5%**
Profit before share of loss of an associate, exceptional items and tax expense	**3,880**	**11.8%**	**2,407**	**8.7%**	**61.2%**
Share of (loss) of an associate	(703)	-2.1%	(297)	-1.1%	136.7%
Profit before exceptional items and tax expense	**3,177**	**9.6%**	**2,110**	**7.6%**	**50.6%**
Exceptional items (net)	(110)	-0.3%	270	1.0%	-140.7%
Profit before tax expense	**3,067**	**9.3%**	**2,380**	**8.6%**	**28.9%**
Tax expense	199	0.6%	174	0.6%	14.4%
Profit for the year	**2,868**	**8.7%**	**2,206**	**8.0%**	**30.0%**

Employee Benefits Expense

Our employee benefits expense is our largest expense. It includes salaries, incentives and bonus, commissions, employee benefits such as gratuity, 401K and provident fund, employee insurance expense, that we pay to our permanent employees. Our primary employee benefits expenses include expenses relating to our Consulting and Capability teams who are involved in deploying the AI offerings, sales and marketing teams who are selling our AI offerings to clients, and other teams who provide general and administrative support for the organisation. Our employee benefits expense increased by 14.3% to ₹ 22,914 million in the year ended March 31, 2026 from ₹ 20,048 million in the year ended March 31, 2025, primarily due to salary increments offered to our employees and increase in our employee headcount to 5,868 as of March 31, 2026 from 5,254 as of March 31, 2025.

Employee Stock Option Expense

Employee stock option expense decreased by 20.6% to ₹ 634 million in the year ended March 31, 2026 from ₹ 798 million in the year ended March 31, 2025, primarily due to graded vesting of a majority of the employee stock options, which were granted towards the end of Fiscal 2022 and offset by options granted in the month of June 2025.

Finance Costs

Our finance costs primarily include interest expense on borrowing, and interest on lease liabilities towards office premises taken on lease. Finance cost decreased by 17.9% to ₹ 474 million in the year ended March 31, 2026 from ₹ 577 million in the year ended March 31, 2025, primarily due to decrease in other borrowing cost to ₹ 27 million in the year ended March 31, 2026 from ₹ 146 million in the year ended March 31, 2025 which primarily related to an arrangement fee for a loan refinancing.

Depreciation and Amortization

Our depreciation and amortisation expenses primarily include expenses associated with depreciation of our physical assets such as computers, furniture and fixtures and leasehold improvements and amortisation of intangible assets such as software, intellectual property and internally generated intangible assets. Depreciation and amortization expense increased by 32.7% to ₹ 1,358 million in the year ended March 31, 2026 from ₹ 1,023 million in year ended March 31, 2025, primarily due to an increase in depreciation on right-of use assets by ₹ 90 million due to additional office premises taken on lease, increase in depreciation on property, plant and equipment by ₹ 88 million primarily towards leasehold improvements and computer and accessories and an increase in amortization of intangible assets by ₹ 157 million relating to software acquired in the year ended March 31, 2025, which was accounted for the full year in the year ended March 31, 2026, as compared to a shorter period in the year ended March 31, 2025.

Other Expenses

Other expenses have increased by 31.9% to ₹ 4,366 million in the year ended March 31, 2026 from ₹ 3,309 million in the year ended March 31, 2025, primarily due to:

- Sub-contracting expenses increased by 457% to ₹ 256 million in the year ended March 31, 2026 compared to ₹ 46 million in the year ended March 31, 2025, primarily due to contractors hired for delivery of projects on few clients;
- Fair value loss (net) on derivative contracts carried at fair value through profit or loss: increased by 140% to ₹ 156

million in the year ended March 31, 2026 compared to ₹65 million in the year ended March 31, 2025, primarily due to currency exchange movements of USD and EUR.

- Legal and professional fees: increased by 41% to ₹738 million in the year ended March 31, 2026 compared to ₹523 million in the year ended March 31, 2025, primarily due to an increase in fees paid to consultants and/or professionals for various compliance requirements, higher costs for increased business and technical support as well as various corporate activities.
- Cloud and communication expense: increased by 38% to ₹584 million in the year ended March 31, 2026 compared to ₹423 million in the year ended March 31, 2025, as we incurred additional cloud and communication expense primarily attributable to increased R&D investments and adoption of developed B2C applications.

Taxes

Total tax expense has increased to ₹ 199 million in the year ended March 31, 2026 from ₹ 174 million in the year ended March 31, 2025. Current tax increased by ₹ 176 million on Y^Y basis primarily on account of increase in profits in certain geographies resulting into increase in tax charge thereof. Deferred tax credit increased by ₹ 151 million primarily on account of deferred tax asset of ₹534 million recognised in the year ended March 31, 2026 in respect of certain foreign subsidiaries on unutilised tax losses against deferred tax liability reversed of ₹ 383 million on deemed gain on fair valuation of investment in associate in the year ended March 31, 2025 primarily on account of reduced tax rate on long term capital gain.

Liquidity

Fractal's principal source of liquidity is cash and cash equivalents and cash flow that we generate from operations. The Company had outstanding borrowing of ₹2,860 million as at March 31, 2026 which has been subsequently repaid in April 2026 out of IPO proceeds. Our growth in the year ended March 31, 2026 has been largely financed through cash generated from operations.

Our operating cash flows have increased in the year ended March 31, 2026 as compared to the year ended March 31, 2025 mainly on account of increase in net profit adjusted for non-cash items and better working capital management. Consolidated cash and cash equivalents including investments in mutual funds and bank deposits is as follows:

Particulars	March 31, 2026	March 31, 2025
Investments in mutual funds	8,741	5,614
Deposits with banks*	9,712	243
Cash and bank balances	2,067	2,649
Total	**20,520**	**8,506**

**Deposits with banks as at March 31, 2026 consits of funds invested out of IPO proceeds of ₹9,568 million.*

Refer to the Standalone and Consolidated financial statements in this Annual Report for detailed schedules and notes.

Material developments in human resources and industrial relations

Workforce Composition and Growth

As of March 31, 2026, Fractal employed a skilled workforce across AI engineering, consulting, sales, and support functions, with presence in India, USA, UK, and APAC. The company maintained disciplined headcount growth aligned with revenue scaling and margin expansion objectives.

Industrial Relations

The company maintains positive industrial relations and compliance with applicable labor laws across all jurisdictions. No material labor disputes or significant HR-related developments occurred during FY26.

Significant Changes in Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (change of 25% or more) as compared to the immediately previous financial year in key sector-specific financial ratios:

The Company has identified the following ratios as key financial ratios:

	Standalone		Consolidated	
Particulars	**FY26**	**FY25**	**FY26**	**FY25**
Days Sales Outstanding (DSO)[1]	-	-	72	75
Current Ratio (times)	6.7	5.8	3.0	2.8
Debt equity ratio (times)[2]	-	-	0.1	0.2
Return on capital employed (%)[3]	8.1%	9.6%	10.3%	14.7%
EBITDA Margin (%)	17.9%	16.7%	14.8%	14.4%
Net Profit Margin (%)	9.9%	9.2%	8.7%	8.0%
Return on Net Worth (%)[3]	5.7%	6.7%	9.1%	12.6%
Revenue growth (%)	30%	24%	19.3%	25.9%
Basic EPS (Rs)[4]	11.62	8.58	18.20	14.49

(1) The Company dœs not track DSO at a standalone level.

(2) Debt equity ratio is not applicable at standalone level as the Company dœs not have outstanding debt.

Debt to Equity Ratio

Debt to equity ratio has improved primarily due to the Company's expanded equity basis on successful completion of the IPO during the year. The equity enhancement has strengthened the Company's financial position, reduced financial risk, and provided enhanced capacity for future growth investments while maintaining operational efficiency.

Return on Capital Employed and Return on Net Worth:[3]

The Company's profit has increased by 30% on Y^Y basis however, return on capital employed and return on net worth have decreased due to the Company's expanded equity basis on successful completion of the IPO during the year. The equity enhancement has strengthened the Company's financial position, reduced financial risk, and provided enhanced capacity for future growth investments while maintaining operational efficiency.

EPS increase is in line with increase in net profits for the year. [4]

Risk assessment

ENTERPRISE RISK MANAGEMENT

Fractal has established an Enterprise Risk Management (ERM) framework that evolves continuously to match the pace of change in the AI and digital transformation space. The framework is aligned with globally recognized practices under COSO and ISO 31000:2018 and is designed to strengthen resilience while supporting long-term growth. It is guided by the Risk Management Policy approved by the Board and covers risk identification, assessment, mitigation planning, monitoring, and governance.

Key risk indicators and control indicators are tracked to provide early signals and measure the effectiveness of actions taken. Fractal's risk profile spans strategic, operational, compliance, financial, and technology domains, with emphasis on areas most relevant to a pure-play AI company such as rapid technology shifts, talent availability, client concentration, and competitive intensity. This collaborative approach ensures that risk management is integrated with business priorities and supports Fractal's commitment to sustainable value creation.

Risk Category	Key Risk Points	Mitigation Strategies
Cyber Security Risk	Fractal faces cybersecurity risks from data breaches across its own environment, client environments, and connected third parties. The growing use of hybrid and remote work, combined with extensive reliance on third-party cloud and SaaS platforms, significantly widens the potential attack surface. Despite having ISO 27001- and SOC 2-aligned security frameworks in place, no control environment can guarantee protection against every emerging threat.	Fractal's senior management periodically reviews the Company's risk register to confirm that cybersecurity risks are being managed effectively and that appropriate countermeasures are in place to reduce residual risk. The Company follows a systematic approach to establishing and maintaining enterprise security policies and standards aligned with ISO 27001:2022 and SOC 2 Type 2 frameworks, with security controls across prevention, detection, response and recovery aligned with the NIST framework. Fractal maintains a layered network security architecture that includes perimeter firewalls enforcing a 'Default Deny' policy, content filtering solutions to manage and control network traffic, and web application and intrusion-prevention controls.
Technology (AI) Disruption Risk	The pace of innovation in artificial intelligence and generative AI is accelerating rapidly. Failure to continually refresh Fractal's solutions in line with evolving client needs and industry standards could erode its competitive differentiation and win rates. The growing adoption of GenAI and software-development agents may enable clients to build capabilities in-house, reducing third-party spend on outsourced AI services. New solutions may not achieve the intended market adoption, potentially leading to write-downs and earnings volatility. The increasing automation of routine and basic development tasks through AI may reduce the person-hours required for certain projects, affecting revenue from those engagements.	Fractal pursues a targeted acquisition strategy to acquire AI and other critical technical capabilities that strengthen its competitive position. The Company continuously monitors client technology landscapes and adoption trends to anticipate the changes required to its own offerings and stay ahead of market demands. Fractal follows a defined investment and research strategy specifically focused on AI solutions development with a tiered approach of today, tomorrow and day after ensuring it is prepared for long term changes that might come at expedited pace as well. Additionally, the Company tracks market developments in AI adoption across industries and geographies to inform its strategic direction and ensure offerings remain aligned with emerging client needs.
Responsible AI Risk	Fractal is committed to ensuring that the AI systems it develops and deploys operate with appropriate ethical safeguards to maximize positive outcomes for users and clients. The Company's operations involve the use of artificial intelligence and machine learning, including AI developed by third parties, and the processing of clients' proprietary data which may include personal or identifying information. This use carries inherent social, ethical and operational risks. AI algorithms and technologies that inform or augment decisions for Fractal's clients could, if flawed, produce biased outputs or unintended discriminatory outcomes that harm end users or create legal exposure for clients.	Fractal continuously monitors and tests model outputs for group disparities using fairness metrics to identify potential bias in AI systems. The Company enforces bias-correction standards during model training to ensure that AI models operate fairly across different demographic groups and use cases. This proactive approach to responsible AI governance helps mitigate the risk of discriminatory outcomes and ensures alignment with evolving regulatory and client expectations around ethical AI deployment.

Risk Category	Key Risk Points	Mitigation Strategies
Data Protection & Privacy Risk	Non-compliance with data privacy laws, including Fractal's responsibilities as a data controller or processor, and the leakage or misuse of confidential and proprietary information could expose the Company to significant regulatory and contractual risk. Fractal's operations involve the collection, use, storage, sharing, retention, safeguarding and transmission of clients' proprietary data, which may include personal or identifying information. The Company is subject to data privacy regulations across multiple jurisdictions, including the United States, United Kingdom, European Union and India. A breach of data privacy regulations could result in reputational damage, loss of key accounts, regulatory penalties and contractual liabilities.	Fractal maintains a standard data privacy policy applicable to all stakeholders and affiliates, giving data subjects a clear understanding of its data privacy practices and their rights. A designated Data Protection Officer oversees data privacy compliance at the organizational level and reports to the CFO and the Board, ensuring executive-level accountability for privacy governance. This structure ensures that privacy considerations are integrated into all operational decisions and that the Company maintains compliance with complex, multi-jurisdictional regulatory requirements.
Macro-Economic Environment Risk	Changes in political or economic conditions in the countries where Fractal operates, including political instability, trade tensions, changes in government, and unpredictable policy shifts, could adversely affect the Company's business. Fractal's high dependency on the United States increases its vulnerability to segment-specific disruptions, such as regulatory change or reduced outsourcing demand due to rising costs, which could directly impact revenue, scalability and operations. Anti-outsourcing regulations in the United States, such as the proposed HIRE Act which aims to discourage offshoring by imposing taxes or restrictions on companies that move jobs overseas, could materially affect Fractal's business and financial performance. Immigration policy changes, as countries shift from globalization toward localization, could affect the Company's operating model and talent deployment strategies. New tariffs on technology exports, together with reciprocal tariffs imposed by trading partners, could reduce demand for Fractal's services as clients face tighter budgets and broader economic pressure. Similar localization trends are emerging across the global technology sector, with countries increasingly promoting domestic software development and data hosting and reducing reliance on foreign technology providers.	Fractal monitors political and legislative developments in the United States and other material regions of operation, including initiatives such as the HIRE Act, through dedicated legal and compliance teams and external advisors. The Company develops response strategies for any high-impact legislative changes to ensure business continuity and compliance with evolving regulations. Fractal actively engages with industry bodies, trade associations and policymakers to stay ahead of upcoming legislative developments and contribute to policy discussions that could affect the outsourcing and technology services sectors.
Revenue Concentration Risk	Fractal's revenue is concentrated among certain clients, geographies and industry sectors, which creates significant business risk. A significant volume of business is concentrated among a limited number of clients, with a significant portion of revenue derived from the Company's top accounts. The Company derives a majority of its revenue from the Americas region, creating geographic concentration risk. Additionally, consumer goods and retail represents a significant contributing industry vertical to the Company's revenue, creating sector-specific exposure. Loss of any major client or sector contraction could significantly impact overall revenue and profitability.	Fractal is proactively expanding its client base through targeted marketing, strategic partnerships and entry into new industry sectors, thereby reducing dependency on a limited number of major clients and industry verticals. The Company is executing growth strategies focused on regions outside the Americas to balance its geographic revenue mix and reduce regional concentration risk. These initiatives aim to create a more diversified revenue base that is resilient to sector-specific downturns or geographic disruptions.
Succession Planning Risk	The absence of a prepared successor for a key leadership role, or inadequate succession planning generally, could disrupt the Company's operations and strategy execution. The loss or unavailability of key managerial personnel or senior leaders could disrupt strategy execution, client relationships and growth initiatives. Leadership transitions typically require a long lead time, and competition for niche AI, GenAI, data and cloud talent can make backfilling critical roles significantly more difficult, increasing transition risk. Mergers, consolidations, dissolutions and entry into new markets require timely succession planning within subsidiaries and integration leadership to avoid capability gaps and operational disruption.	Fractal has identified potential successors for its Key Managerial Personnel, as disclosed in its regulatory filings, ensuring continuity planning at the senior leadership level. This proactive succession planning approach ensures that the Company has identified individuals with the necessary skills and experience to step into critical roles and maintain operational continuity during leadership transitions.

Risk Category	Key Risk Points	Mitigation Strategies
Environmental, Social & Governance (ESG) Risk	Ineffective ESG risk management could impact the creation and management of long-term value for stakeholders and the Company's reputation. Fractal's clients increasingly expect strong ESG performance, including demonstrated commitment to recognized ratings such as CDP, EcoVadis and the Science Based Targets initiative (SBTi). An inability to meet publicly stated climate change or net-zero targets, whether near-term or long-term commitments, could affect the Company's reputation and stakeholder trust, potentially impacting client relationships and investor confidence.	A Board-level CSR and ESG Committee monitors ESG performance in conjunction with the Risk Management Committee, focusing on client-mandated and Fractal-material ESG risks and commitments, including climate and workplace health and safety. Fractal maintains a detailed roadmap to achieve its decarbonization and net-zero targets, providing a clear pathway for achieving these commitments. The Company conducts ESG training to build awareness across the organization and its vendors regarding ESG practices and expectations. Additionally, Fractal participates in recognized ESG ratings and disclosure frameworks, including CDP, EcoVadis and SBTi, and monitors progress against its net-zero and other decarbonization commitments on an ongoing basis.
Talent Risk	Attrition of experienced and talented employees can affect organizational knowledge and client relationships, while delays in deploying, or the unavailability of, talent with relevant skills including GenAI and analytics can affect service delivery and operational performance. Elevated attrition puts revenue at risk and can affect the Company's ability to meet growth commitments, given the disruption to service and the extended learning curve associated with onboarding new hires. Years of accumulated client context, stakeholder relationships and organizational knowledge are difficult to replicate when experienced employees leave. An increase in people costs could meaningfully affect the Company's margin profile and financial performance.	Fractal leverages AI-based hiring tools to improve recruitment efficiency and outcomes, enabling the Company to identify and attract top talent more effectively. The Company has implemented mechanisms to identify attrition risk among high-potential and high-performing employees, allowing for proactive retention strategies and career development initiatives. Fractal invests in ongoing training and certification programs in AI, GenAI, data engineering and cloud technologies to close skill gaps, enhance employee capabilities and improve retention by providing clear career development pathways.
Delivery & Contractual Risk	Fractal faces delivery risk relating to the timeliness and quality of its work, the risk of non-compliance with client contractual terms, and pressure from clients for more favorable terms, including onerous liability provisions. Delivery failures could lead to client dissatisfaction, contract termination, financial penalties and a significant negative impact on business growth and market reputation. Non-compliance with client contractual terms including obligations relating to background verification, data privacy, information security, and non-compete and non-solicitation provisions could result in financial obligations, penalties, loss of contracts and reputational damage. Defects, delays or missed milestones may trigger client recourse, including indemnity claims, required rework or contract termination. Many of the Company's key client contracts run for multi-year terms with renewal options, making consistent delivery critical to revenue continuity.	Fractal maintains an operational risk register across all projects to systematically identify and document risks, including those related to data breaches and control gaps, enabling early identification and mitigation of potential issues. Fractal conducts thorough background verification for all employees, covering identity, criminal history, employment experience and educational qualifications, to mitigate insider risk and ensure compliance with client contract requirements. The Company closely monitors third-party service levels to mitigate disruption from external providers and ensure that outsourced services meet contractual obligations and quality standards.
Business Continuity Planning Risk	Natural calamities, disasters, pandemics or unexpected events such as cyber-attacks could impact the continuity of Fractal's business operations and financial performance. Fractal's global footprint of leased and co-working facilities, together with significant export exposure including to the United States, increases its sensitivity to natural disasters, pandemics and geopolitical developments in the regions where it operates.	Fractal maintains a comprehensive Business Continuity Plan, aligned with ISO 27001 standards, comprising a resilience framework, strategic planning, defined organizational roles and responsibilities, regular testing and training, and a phased recovery strategy. This comprehensive approach ensures that the Company can respond effectively to unexpected disruptions and maintain critical operations while recovering from adverse events.

We aim to foster a culture of effective risk management by encouraging appropriate and monitored risk-taking to achieve our strategic priorities. We analyse internal and external factors that could impact our operations, finances, reputation, and other areas of the business. The goal of our risk management policies is to develop strategies. It plans to mitigate or avoid risks and to ensure that the company can continue to operate effectively and achieve its goals, even in the face of uncertainty or adverse events.

Cautionary Statement

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve several risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT business, including those factors, that may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of Governmental fiscal incentives, political instability, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Fractal.AI, from time to time, makes additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The Company dœs not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Internal Financial Control Systems and their Adequacy

Fractal has aligned its current systems of internal financial control with the requirement of Companies Act, 2013, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses.

Fractal's internal controls are commensurate with its size and the nature of its operations. Internal financial control systems include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act. Fractal has continued its efforts to align all its processes and controls with global best practices.

B S R & Co. LLP, the statutory auditors of Fractal, have audited the financial statements included in this Annual Report and have issued an attestation report on the Company's internal control over financial reporting (as defined in Section 143 of the Companies Act, 2013).

Fractal has appointed PricewaterhouseCoopers Services LLP to oversee and carry out an internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the Audit Committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the Company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes.

Fractal also undergœs periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security, etc. The Audit Committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered, and the Audit Committee follows corrective action. The Audit Committee also meets the statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically.

Board's report

Dear Members,

Your Board of Directors ("the Board") hereby present the 26th Annual Report along with the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended March 31, 2026.

FINANCIAL PERFORMANCE OF THE COMPANY

The Audited Financial Statements of your Company as on March 31, 2026, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and applicable provisions of the Companies Act, 2013 ("Act"). The summarized financial highlights as on March 31, 2026, is depicted below:

	Standalone		Consolidated	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Particulars	**(INR in Million)**	**(INR in Million)**	**(INR in Million)**	**(INR in Million)**
Total Income	19,293	14,905	33,626	28,162
Less: Total Expenses	16,520	13,042	29,746	25,755
Profit before share of loss of an associate, exceptional items and tax expense	**2,773**	**1,863**	**3,880**	**2,407**
Share of (loss) of an associate	-	-	(703)	(297)
Profit before exceptional items and tax expense	2,773	1,863	3,177	2,110
Exceptional items	(302)	(98)	(110)	270
Profit before tax expenses	**2,471**	**1,765**	**3,067**	**2,380**
Tax Expenses	606	444	199	174
Profit after Tax	**1,865**	**1,321**	**2,868**	**2,206**
Other comprehensive income/ (loss)	**(2)**	**(37)**	**366**	**(50)**
Total Comprehensive income	**1,863**	**1,284**	**3,234**	**2,156**

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE/STATE OF COMPANY AFFAIRS

At the standalone level, the total income of the Company during the financial year under review increased by 29.44% from ₹ 14,905 million in the previous financial year to ₹ 19,293 million. Profit before tax for the period under review stood at ₹ 2,471 million as against profit of ₹ 1,765 million in the previous financial year. Profit after tax for the period under review stood at ₹1,865 million as against profit of ₹ 1,321 million in the previous financial year.

At the consolidated level, the total income of the Company during the financial year under review increased by 19.40% from ₹ 28,162 million in the previous financial year to ₹ 33,626 million. Profit before tax stood at ₹ 3,067 million as against ₹ 2,380 million in the previous financial year. Profit after tax stood at ₹ 2,868 million as against ₹ 2,206 million in the previous financial year.

DIVIDEND

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, ("SEBI Listing Regulations") the Board of the Company has adopted a Dividend Distribution Policy, which can be accessed on the website of the Company, at https://fractal.ai/docs/Investor-Relations/Policies/Fractal-Dividend-Distribution-Policy.pdf. The Board believes that it is prudent to plough back the profits of your Company for its future growth, hence, the Board does not recommend any dividend for the financial year ended March 31, 2026.

TRANSFER TO RESERVES

During the financial year under review, your Company do not propose to transfer any amount to reserves.

INITIAL PUBLIC OFFER

During the year under review, the Company transitioned from an unlisted public company to a listed company. The Company came out with its Initial Public Offer ("IPO") for listing its equity shares on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The IPO comprised of fresh issue of 1,14,08,394 (One Crore Fourteen Lakh Eight Thousand Three Hundred and Ninety-Four) Equity Shares and an offer for sale of 2,01,15,554 (Two Crore One Lakh Fifteen Thousand Five Hundred and Fifty-Four) Equity Shares, aggregating to 3,15,23,948 (Three Crore Fifteen Lakh Twenty-Three Thousand Nine Hundred and Forty-Eight) shares. The equity shares were issued at a price of ₹ 900/- (Indian Rupees Nine Hundred Only) per equity share [discount of ₹ 85/- (Indian Rupees Eighty Five Only) per Equity share was offered to eligible employees bidding in the employee reservation portion]. The equity shares of the Company were listed on BSE and NSE on February 16, 2026. Further, the proceeds of the IPO are being utilized in accordance with the objects stated in the offer document and there has been no deviation in the use of proceeds. The entire proceeds have not yet been fully utilized as at the end of the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report pursuant to Regulation 34(2) read with Schedule V of the SEBI Listing Regulations constitutes a distinct section within the Annual Report. The Audit Committee of your Company has reviewed the Management Discussion and Analysis Report of the Company for the year ended March 31, 2026.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report on Corporate Governance as stipulated under SEBI Listing Regulations is attached to this report.

Certificate from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations is attached to Corporate Governance Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The requirement to furnish a Business Responsibility and Sustainability Report for the financial year ended March 31, 2026, is not applicable to the Company.

STATE OF AFFAIRS OF THE COMPANY

Fractal Analytics Limited is a globally recognized enterprise AI company founded in 2000 with over 26 years of experience in powering human decisions across the world's largest enterprises. Operating as a pure play enterprise AI provider, the Company delivers end-to-end AI-solutions for clients through two segments: Fractal.ai (AI services and solutions) and Fractal Alpha (AI businesses). Our domain expertise spans across our focus industries of consumer-packaged goods ("CPG") & retail (together with CPG, "CPGR"), technology, media and telecom ("TMT"), healthcare and life sciences ("HLS"), banking, financial services and insurance ("BFSI") and Others (Industrials, Energy, Travel and others). Our client proposition is organized around three integrated AI pillars - AI led transformation, AI Foundation & AI work and workforces.

We are a client-centric company, which focuses on prioritizing our clients' success and creating long-term value for them. Our "client first" value is reflected in the tenure of our relationship with our top clients and our Net Promoter Score ("NPS") based on client surveys. We work with Must Win Clients (MWCs) who we define as our clients (i.e. we recognised revenue from them in the trailing 12 months) who are enterprises that meet one of three criteria: (1) over US$10 billion in annual revenue, (2) over US$20 billion in market capitalization, or (3) over 30 million end-customers.

As of March 31, 2026, your company operates out of 25 offices across 19 global locations.

As of March 31, 2026, Fractal operates globally with 5,868 employees across Americas, Europe, APAC and others, serving "Must Win Clients" across CPGR, HLS, TMT, BFSI and other industries. In FY 2025-26, your Company achieved consolidated revenue of ₹ 32,997 million (19% YoY growth) with net income of ₹ 2,868 million (30% YoY growth), Adjusted EBITDA margin of 18%. Fractal.ai revenue stood at ₹ 32,190 with 19% growth YoY. In FY 2025-26, your Company worked with 104 MWC clients which contributed to 81.6% of Fractal.ai revenue. Net Revenue Retention (NRR) in our Fractal.ai segment measures how effectively we retain and expand revenue from our existing clients over a defined period and is calculated by comparing the current period's revenue from the clients who existed at the start of the period, with their revenue in the previous period - including the effects of upsells, cross-sells and contractions, in FY 2025-26 your company has Net revenue retention of 117%. Fractal Alpha contributed to ₹ 908 million in revenue with 41% growth YoY. Fractal Alpha comprises of 2 major products- Asper.ai, revenue growth management and Analytics Vidhya, Edtech product.

Revenue by Geography for Fractal.ai is 67.3% from Americas, 19.9% from Europe & 12.8% from APAC & Others. Client advocacy metric of Net Promoter Score came in at 78 for FY 2025-26.

Research and Development is a critical area of investment for your company. In FY 2025-26, 6.4% of revenue was invested in R&D across two segments of Fractal.ai and Fractal Alpha. Out of this 6.4%, 4.1% was expensed in the P&L and rest was capitalized on the back of intellectual property developed.

For further information on statement of affairs and business, please refer Management discussion and analysis section.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2025-26 and the date of this Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3), OF SECTION 178 OF THE ACT

The Board at its meeting held on August 08, 2025, had adopted the amended Nomination and Remuneration Policy

("Policy") pursuant to the applicable provisions of Section 178(3) of the Act and the SEBI Listing Regulations; inter-alia, detailing the director's appointment, remuneration, criteria for determining qualifications, attributes, independence of a director and other matters. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Policy of your Company. The said Policy is placed on the Company's website at https://fractal.ai/docs/Investor-Relations/Policies/Nomination-and-Renumeration-Policy.pdf.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

A) BOARD OF DIRECTORS

Constitution of Board of the Company

During the financial year under review, the Board was duly re-constituted in accordance with the applicable provisions of the Act, SEBI Listing Regulations and the Articles of Association of the Company. As on March 31, 2026, the Board comprised of 9 (Nine) Directors.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Act.

Appointment and Resignation

During the financial year under review, changes in the composition of the Board were as follows:

1. Pursuant to Section 152 and other applicable provisions of the Act, and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 20, 2025 approved the re-appointment of Mr. Rohan Haldea (DIN: 08335883) and Mr. Gavin Echlin Patterson (DIN: 08553630), who were liable to retire by rotation and being eligible, had offered themselves for re-appointment, which was subsequently approved by the members at the 25th Annual General Meeting ("AGM") held on July 15, 2025.
2. Mr. Puneet Bhatia (DIN: 00143973) who was appointed as Non-Executive Director of the Company, had resigned from the directorship of the Company with effect from the close of business hours of August 02, 2025, due to withdrawal of nomination as a director. The Board took note of the same and placed on record its appreciation for the services rendered by him during his tenure on the Board.
3. Pursuant to the "Reconstitution of the Board prior to Public listing" of the Amended and Restated Shareholder's agreement and pursuant to resignation of Mr. Puneet Bhatia, the Board at its meeting held on August 01, 2025, approved the re-constitution, and Mr. Rohan Haldea, Non-Executive Director, was appointed to act as the Chairman of the Board. The revised composition of Board effective from August 02, 2025, was as follows:
   a) Rohan Haldea (Non-Executive Director) – Chairman
   b) Srikanth Velamakanni (Whole-time Director and group chief executive and executive vice-chairman)
   c) Pranay Agrawal (Non-Executive Director)
   d) Vivek Mohan (Non-Executive Director)
   e) Sasha Gulu Mirchandani (Non-Executive Director)
   f) Gavin Echlin Patterson (Non-Executive Director)
   g) Neelam Dhawan (Independent Director)
   h) Karen Ann Terrell (Independent Director)
   i) Janaki Akella (Independent Director)
4. Pursuant to the provisions of Sections 149 and 152 of the Act, 2013 read with Schedule IV thereof, and in accordance with the Memorandum and Articles of Association of the Company and the amended and restated Shareholders' Agreement dated July 01, 2025 (including amendments thereto), and based on the recommendation of the Nomination and Remuneration Committee, the Board, by way of circular resolution dated October 05, 2025, approved the re-appointment of Ms. Neelam Dhawan (DIN: 00871445) and Ms. Karen Ann Terrell (DIN: 09764751) as Independent Directors, which was subsequently approved by the Members at the Extra-ordinary General Meeting held on October 10, 2025, for a period of five consecutive years commencing from October 11, 2025 and October 26, 2025 respectively, and who shall not be liable to retire by rotation. The Board was satisfied with the integrity, expertise and experience of both the aforesaid Independent Directors.

Changes in the Board composition post March 31, 2026

There were no changes in the Board composition post March 31, 2026, till signing of this report.

Director retiring by rotation

In accordance with the provisions of Section 152 of the Act, read with the Articles of Association of the Company, Mr. Vivek Mohan (DIN: 08306394) is liable to retire by rotation at the ensuing AGM and, being eligible, has offered his candidature for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment for approval of the Members of the Company.

As per the provisions of the Act, the Independent Directors are not liable to retire by rotation.

B) KEY MANAGERIAL PERSONNEL

During the financial year under review, Mr. Ashwath Bhat was appointed as Chief Financial Officer of the Company and Ms. Somya Agarwal was appointed as the Compliance Officer.

In accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, Mr. Srikanth Velamakanni, Whole Time Director, Mr. Ashwath Bhat, Chief Financial Officer and Ms. Somya Agarwal, Company Secretary and Compliance Officer were the Key Managerial Personnel of the Company as on March 31, 2026.

Further, Mr. Ashwath Bhat, Chief Financial Officer, tendered his resignation on July 06, 2026, for personal reasons and he was relieved from his duties effective close of business hours on July 24, 2026.

C) DECLARATION OF INDEPENDENCE

The Company has received declarations from the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act along with the applicable rules framed thereunder and Regulation 16 of SEBI Listing Regulations.

The Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than commission, and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company. The Independent Directors have along with the declaration of independence under section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Director of the Company and the Board is satisfied of the integrity, expertise, and experience including proficiency in terms of Section 150(1) of the Act and applicable rules made thereunder.

D) ANNUAL EVALUATION

The Board took note of the annual performance evaluation of the Individual Directors, the Board and its Committees at its meeting held on March 20, 2026, based on the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of the Act and also approved the revised Board Evaluation Policy.

Each board member was required to fill the board evaluation questionnaire online and the questionnaire were divided into different sections viz. Evaluation of Individual directors (excluding Independent Directors); Evaluation of Independent Directors; Evaluation of Board as a whole; Evaluation of Committees and Evaluation of Chairperson. Evaluation criteria for Individual Directors/ Board/Committees were based on various criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. and after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The responses received from the Directors with respect to the Board evaluation questionnaire were reviewed, discussed at separate meeting of Independent Directors, Nomination and Remuneration Committee and also the Board.

Performance of the committees was evaluated on the basis of their effectiveness in carrying out their respective mandates. All the directors participated in the Board evaluation and review exercise. The overall feedback received as a part of Board evaluation for FY 2025-26, on the performance of individual Directors, Chairperson, Board and its Committees was positive, noting effectiveness of the Board in fulfilling its functions relating to areas like strategic decisions, regular meetings, thorough discussions, quality of agenda, comprehensive minutes recording, appropriately managing stakeholders' interest and continuing to uphold corporate governance standards.

BOARD MEETINGS

The Board of Directors of the Company met 16 (sixteen) times during the year under review. The dates of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms a part of this Annual Report.

COMMITTEES OF THE BOARD

As on March 31, 2026, the Board had 8 (Eight) Committees. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility & Environmental, Social, and Governance Committee, Risk Management Committee, Option Allotment Committee, IPO Committee and Committee of Independent Directors. The Corporate Governance Report, which forms part of this Annual Report, includes details about the meetings and composition of the Board's committees.

Constitution of Committees

Pursuant to the change in the status of the Company from 'Unlisted Public Limited' to 'Listed Public Limited' there was a requirement for re-constitution of the Committees as per the provisions of the Act and SEBI Listing Regulations. Accordingly, Board at their meeting held on August 01, 2025, reconstituted Audit Committee (AC) (formerly known as Audit and Risk

Committee), Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility & Environmental, Social and Governance (CSR & ESG) Committee in accordance with the Act and SEBI Listing Regulations and had also additionally constituted Stakeholders Relationship Committee, Risk Management Committee, Option Allotment Committee, IPO Committee, Committee of Independent Directors in compliance with the applicable law. Further, the Composition of the Committees, dates of the meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms a part of this Annual Report.

OTHER DISCLOSURES

1. There was no revision in the financial statements of the Company.
2. Your Company has not issued sweat equity shares or equity shares with differential rights as to dividend, voting or otherwise.
3. There was no change in the nature of the business of the Company.
4. There have been no deviations in the use of IPO proceeds of the Company utilised till the date of this report.
5. During the year, there was no receipt of any remuneration or commission by the Whole-Time Director of the Company from its Holding Company or Subsidiary Company.

PARTICULARS OF EMPLOYEES

As on March 31, 2026, the Company had 5112 permanent employees on a standalone basis and 5868 employees on a consolidated basis.

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the employees in terms of remuneration drawn are set out in the annexure to this report. In terms of the provisions of Section 136(1) of the Act, the Directors' Report is being sent to all shareholders of the Company excluding the annexure. Any shareholder interested in obtaining a copy of the annexure may write to the Company.

Further, disclosures on managerial remuneration as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as **'Annexure A'**.

SHARE CAPITAL AND DEBT STRUCTURE

Authorised Share Capital

As on March 31, 2026, the Authorised Share Capital of the Company stood at ₹ 44,00,00,000 (Indian Rupees Forty Four Crores Only) consisting of 38,94,00,000 (Thirty Eight Crores Ninety Four Lakhs) equity shares of ₹ 1/- (Indian Rupee One Only) each aggregating to ₹ 38,94,00,000/- (Indian Rupees Thirty Eight Crores Ninety Four Lakhs Only) and 5,06,00,000 (Five Crores Six Lakhs) Compulsorily Convertible Preference Shares of ₹ 1/- (Indian Rupee One Only) each aggregating to ₹ 5,06,00,000 (Indian Rupees Five Crores Six Lakhs Only).

Issued and Paid-up Share Capital

As on March 31, 2026, the total issued, subscribed and paid-up share capital of the Company stood at ₹ 17,19,65,112 (Indian Rupees Seventeen Crores Nineteen Lakhs Sixty Five Thousand One Hundred and Twelve Only) consisting of 17,19,65,112 (Seventeen Crores Nineteen Lakhs Sixty Five Thousand One Hundred and Twelve) Fully paid up equity shares of ₹ 1/- (Indian Rupee One Only) each.

Changes / Allotments made during the financial year

1. **Issue of Equity Shares pursuant to exercise of Employees Stock Options**

   During the financial year under review, the Company had allotted 14,77,126 (Fourteen Lakhs Seventy-Seven Thousand One Hundred and Twenty-Six) Equity Shares of face value of ₹ 1 (Indian Rupee One Only) each at par/ premium, as the case may be, to the eligible employees of the Company and/or its' subsidiaries on exercising the vested stock options under the 2007 Fractal Employees Stock Option Plan, The Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019 and 2019 Fractal Employees Stock Option Plan.

2. **Conversion of Partly paid-up shares to fully paid-up shares**

   Mr. Srikanth Velamakanni, Whole Time Director of the Company held 664,858 (Six Lakhs Sixty-Four Thousand Eight Hundred and Fifty-Eight) partly paid-up equity shares which were issued at an issue price of ₹ 734 (Indian Rupees Seven Hundred and Thirty Four Only) per share. At the time of such issuance, the Company had received ₹ 1 per share on application which were equally appropriated towards share capital and securities premium.

   During the Financial Year under review, the balance of ₹ 733 (Indian Rupees Seven Hundred and Thirty Three Only) per equity share (i.e. face value of ₹0.50 and premium of ₹ 732.50 per equity share) was paid by Mr. Srikanth Velamakanni when called upon by the Board on June 16, 2025, and pursuant to resolution of Board dated June 25, 2025, 664,858 (Six Lakhs Sixty-Four Thousand Eight Hundred and Fifty-Eight) Equity Shares held by him were converted to fully paid-up equity shares.

3. **Bonus Issue**

   The Company had also undertaken a bonus issue by seeking approval of the Board on July 22, 2025, and the shareholders on July 29, 2025, in the ratio of 1:4 (four fully paid-up equity shares for every one equity share held) to the shareholders as on the record date, July 28, 2025.

   Accordingly, the Company allotted 10,96,23,164 (Ten Crores Ninety-Six Lakhs Twenty-Three Thousand One Hundred Sixty-Four) equity shares as bonus shares on July 29, 2025, by way of capitalization of reserves not exceeding ₹ 10,96,23,164 (Indian Rupees Ten Crores Ninety-Six Lakhs Twenty-Three Thousand One Hundred Sixty-Four Only). Consequent to the said issue, appropriate adjustments were made to the exercise price and the number of options held by ESOP holders, in accordance with applicable provisions.

Further, the bonus shares pertaining to shareholders holding shares in physical form have been credited to the Unclaimed Securities Suspense Escrow Account maintained by the Company and shall be transferred to such shareholders upon dematerialisation of their holdings.

4. Conversion of Compulsorily Convertible Preference Shares

The Company allotted 3,337,505 (Thirty-Three Lakhs Thirty-Seven Thousand Five Hundred and Five) Compulsorily Convertible Preference Shares ("CCPS") to Quinag Bidco Ltd on May 14, 2021, and 1,186,099 (Eleven Lakhs Eighty-Six Thousand and Ninety-Nine) CCPS to TPG Fett Holding Pte. Ltd on March 29, 2022, each on a private placement basis.

During the financial year under review, the Company converted the aforesaid mentioned 45,23,604 (Forty-Five Lakh Twenty-Three Thousand Six Hundred And Four) CCPS into fully paid equity shares of Face Value ₹ 1 each with Board's approval on January 23, 2026. Accordingly, an aggregate of 22,618,020 (Two Crore Twenty-Six Lakh Eighteen Thousand and Twenty) fully paid-up equity shares were allotted in the conversion ratio of 1:5, i.e., five equity shares for every one CCPS held. These Equity Shares were allotted pursuant to the conversion of CCPS and no separate price was paid for these Equity Shares at the time of conversion.

5. Initial Public Offer

The equity shares of the Company were listed on the Stock exchanges on February 16, 2026. As a part of the issue, the Company had allotted 3,15,23,948 (Three Crores Fifteen lakhs Twenty Three Thousand Nine Hundred and Forty Eight) equity shares comprising of offer for sale of 2,01,15,554 (Two Crores One Lakh Fifteen Thousand Five Hundred and Fifty Four) and fresh issue of 1,14,08,394 (One Crore Fourteen Lakhs Eight Thousand Three Hundred and Ninety Four) equity shares of Face Value of ₹ 1 each (Indian Rupee One Only).

Debt Structure

During the financial year under review, your Company had neither issued any debentures nor availed any secured loans.

DEPOSITS

During the financial year under review, your Company had not accepted any deposits pursuant to the provisions of Section 73 and 76 of the Act read with applicable rules made thereunder. As the Company had not accepted any deposits, there were no amount remaining unpaid or unclaimed as on March 31, 2026.

PARTICULARS OF LOANS, GUARANTEES, SECURITY AND INVESTMENTS

The particulars of the investments made/ loan given/ security or guarantee provided by your Company to/in its Indian/Foreign subsidiaries forms part of notes to the financial statements and is a part of the Annual Report.

SUBSIDIARIES AND ASSOCIATE AND PERFORMANCE / FINANCIAL POSITION OF SUBSIDIARIES/ ASSOCIATES

As on March 31, 2026, our Company had 4 direct Subsidiaries, 20 step-down Subsidiaries and 1 Associate.

The details of Company's direct subsidiaries/associate as on March 31, 2026, are as follows:

Sr. No.	Name of the Company	Country of Incorporation	Wholly owned subsidiary/ Subsidiary/ Associate
1.	Fractal Private Limited	Singapore	Wholly owned subsidiary
2.	Fractal Analytics Inc.	United States of America	Wholly owned subsidiary
3.	Senseforth AI Research Private Limited	India	Subsidiary
4.	Analytics Vidhya Educon Private Limited	India	Wholly owned Subsidiary#
5.	Qure.ai Technologies Private Limited	India	Associate

 # Wholly Owned Subsidiary with effect from November 22, 2025.

Following are the step-down subsidiaries of the Company as on March 31, 2026:

Sr. No.	Name of the Company	Country of incorporation	Parent Company, country of incorporation
1.	Fractal Analytics UK Limited	United Kingdom	Fractal Analytics Inc., USA
2.	Fractal Analytics (Canada) Inc.	Canada	Fractal Private Limited, Singapore
3.	Fractal Analytics (Switzerland) GmbH	Switzerland	Fractal Private Limited, Singapore
4.	Fractal Analytics Germany GmbH	Germany	Fractal Private Limited, Singapore
5.	Fractal Analytics Netherland B.V.	Amsterdam	Fractal Private Limited, Singapore
6.	Limited Liability Company "Symphony" (Ukraine)	Ukraine	Fractal Private Limited, Singapore
7.	Fractal Analytics Australia Pty Ltd.	Australia	Fractal Private Limited, Singapore
8.	Fractal Analytics Malaysia SDN BHD	Malaysia	Fractal Private Limited, Singapore
9.	Fractal Analytics (Shanghai) Limited	China	Fractal Private Limited, Singapore
10.	Fractal Analytics Sweden AB*	Sweden	Fractal Private Limited, Singapore
11.	Fractal L.L.C.-FZ	Meydan Free Zone, UAE	Fractal Private Limited, Singapore
12.	Fractal AI Limited	Abu Dhabi Global Markets, Abu Dhabi, UAE	Fractal Private Limited, Singapore
13.	Final Mile Consulting LLC	United States of America	Fractal Analytics Inc., USA
14.	Senseforth, Inc.	United States of America	Fractal Analytics Inc., USA
15.	Asper.AI Inc.	United States of America	Fractal Analytics Inc., USA
16.	Asper.AI Limited	United Kingdom	Asper.AI Inc, USA
17.	Asper. AI Technologies Private Limited	India	Asper.AI Inc, USA
18.	Fractal Frontiers, Inc.@	United States of America	Senseforth AI Research Private Limited, India
19.	Eugenie.ai Inc.	United States of America	Fractal Analytics Inc., USA
20.	Analytics Vidhya Inc.	United States of America	Analytics Vidhya Educon Private Limited

** Under liquidation.*

@ *Wholly owned subsidiary of Senseforth AI Research Private Limited, India with effect from October 24, 2025 and Dissolved with effect from July 21, 2026.*

During the financial year, the following changes occurred in the subsidiary companies:

a) The Board of Directors of Cuddle Artificial Intelligence Private Limited, Final Mile Consultants Private Limited, Neal Analytics Services Private Limited, Theremin AI Solutions Private Limited, Fractal Alpha Private Limited, Eugenie Technologies Private Limited ("Transferors") with Senseforth AI Research Private Limited ("Transferee") in their respective board meetings had approved scheme of arrangement subject to requisite approvals, consents, permissions of the shareholders and creditors as applicable, of these companies and due sanction of National Company Law Tribunal ("NCLT") Mumbai bench based on share exchange ratio as determined, followed by a reduction of paid-up equity share capital of the Transferee. The NCLT in its original order dated September 03, 2025 and revised order dated September 23, 2025 approved the scheme of merger and necessary filings with the Registrar of Companies (ROC) have been made which was subsequently approved by the ROC vide e-mail dated November 12, 2025.

b) Pursuant to the share purchase agreement dated November 22, 2025, our Company purchased 100,138 (One Lakh One Hundred and Thirty-Eight) equity shares of Analytics Vidhya Educon Private Limited, constituting 41.46% of the equity share capital of Analytics Vidhya Educon Private Limited on a fully diluted basis, for an aggregate consideration of ₹487 million with effect from November 22, 2025, thereby making it wholly owned subsidiary of the Company.

c) Theremin Multi Strategy Fund LLP has been struck off from the Register and stands dissolved as of August 21, 2025

During the financial year, the Board have reviewed the affairs of the subsidiaries and in accordance with Section 129(3) of the Act, have prepared consolidated financial statements of the Company, which forms part of this Annual Report. Further, the statement containing the salient features of the financial statements of the Company's subsidiaries pursuant to the first proviso to sub-section (3) of Section 129, is annexed to this report in the prescribed Form AOC-1 as **'Annexure B'**.

The Company has no joint venture within the meaning of Section 2(6) of the Act. Apart from as stated above, no company ceased to be subsidiary or joint venture or associate of your Company as on March 31, 2026.

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with FEMA Regulations with respect to downstream investments made in its wholly owned subsidiary Company as operating during the year under review.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for FY 2025-26, is available on the Company's website at https://fractal.ai/docs/Investor-Relations/Annual-Reports-and-Postal-Ballot-Notice/Fractal-Annual-Return-Form-MGT-7-FY-2025-26

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the related party transactions, as per applicable accounting standards, form a part of the Notes to the financial statements and have been provided in the Annual Report. The contracts / arrangements / transactions entered into by the Company, during the financial year with related parties, if any, were in ordinary course of business and on arm's length basis.

During the year, there was no material transaction with any related parties as per the Related Party Transactions Policy of the Company or any other related party transaction entered into by the Company that requires disclosure in Form AOC- 2, hence, it dœs not form part of this report.

LOAN FROM DIRECTORS OR FROM THEIR RELATIVES

Your Company has not borrowed any funds from its directors or from any of their relatives during the year under review.

EMPLOYEES' STOCK OPTION SCHEME

During the financial year, the Board, at its meeting held on August 1, 2025, made amendments to the below-mentioned ESOP Schemes to ensure compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB&SE Regulations"), which were subsequently approved by the members through a special resolution at the Extraordinary General Meeting held on August 8, 2025:

- 2019 Fractal Employees Stock Option Plan
- 2007 Fractal Employees Stock Option Plan
- The Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019
- The Fractal Analytics Limited Performance Based Key Employee Stock Incentive Plan 2019

Thereafter, the Board at its meeting held on March 20, 2026, approved the ratification of the aforementioned Schemes to ensure compliance with the SBEB&SE Regulations along with amendments to the Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019 and the Fractal Analytics Limited Performance Based Key Employee Stock Incentive Plan 2019. These ratifications and amendments to the Schemes were subsequently approved by the members of the Company through special resolutions passed via Postal Ballot on May 28, 2026.

Pursuant to the provisions of Rule 12 of the Companies (Share capital and Debentures) Rules, 2014, the information relating to options granted by the Company pursuant to respective scheme during the financial year under review and other particulars with regard to stock options are set out in **'Annexure C'** to this report. Further, all aforementioned Schemes are in compliance with the SBEB&SE Regulations.

The necessary disclosures as required under the SBEB&SE Regulations have been placed on the website of the Company at https://fractal.ai/. Further, the Certificate required under Regulation 13 of the SBEB&SE Regulations from the Secretarial Auditors of the Company that aforementioned Schemes have been implemented in accordance with the SBEB&SE Regulations will be available at the forthcoming Annual General Meeting for inspection at the registered office of the Company.

ENTERPRISE RISK MANAGEMENT POLICY

Your Company recognizes that effective risk management is fundamental to sustainable growth and value creation. Accordingly, it has established a robust risk management framework aimed at identifying, assessing, monitoring and mitigating risks in a proactive and systematic manner. The risk management culture of the Company emphasizes timely identification of potential risks and implementation of appropriate mitigation measures, while maintaining an optimal balance between risk and return.

In line with the requirements of the SEBI Listing Regulations, the Board has approved a Risk Assessment and Management Policy, which provides a structured framework for managing various business risks. The framework incorporates comprehensive processes, controls and procedures to identify risks across operational and strategic areas and minimize their impact through appropriate risk mitigation mechanisms. It also facilitates continuous monitoring and review of key risks to support the Company's objectives of business resilience, predictability and stability of earnings.

The Board has constituted a Risk Management Committee, whose terms of reference are aligned with the requirements of the SEBI Listing Regulations. The Committee periodically reviews the risk management framework, risk assessment processes and mitigation measures, and evaluates the effectiveness of the Company's risk management systems to ensure that risks are identified, monitored and managed through an adequately defined governance and control structure.

Further, taking into consideration the Company's future growth plans, strategic priorities and evolving business environment, the Board of Directors, at its meeting held on August 8, 2025, approved the revised Risk Assessment and Management Policy to further strengthen the Company's risk governance framework. The amended policy continues to guide the Company in effectively managing risks and safeguarding stakeholder interests.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Your Company practices a zero-tolerance approach to bribery and corruption and is committed to act professionally and fairly in all its business dealings and relationships and in implementing and enforcing effective systems to counter bribery and corruption in any form. Your Company mandates compliance with all applicable anti-bribery and anti-corruption laws in all locations and jurisdictions in which it operates. Accordingly, your Company has formulated and designed the Anti-Bribery and Anti-Corruption Policy to provide a framework for ensuring compliance with various legislations governing bribery and corruption globally and provide guidance on the standards of behaviour to which everyone must adhere to. The said Policy has been framed as per the industry standard and also finalised and approved on the recommendations of the Audit Committee (formerly known as Audit and Risk Committee). The purpose of this policy is to provide guidance to the Company's directors, officers, employees, agents, consultants, and other third-party representatives to ensure compliance with the Prevention of Corruption Act, 1988 of India, U.S. Foreign Corrupt Practices Act of 1977, U.K. Bribery Act 2010, as amended, and other anti-corruption and anti-bribery laws and regulations applicable in the jurisdictions in which the Company does business.

WHISTLE BLOWER POLICY

Pursuant to provisions of Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, your Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for Directors and employees whereby direct access to the Chairperson of the Audit Committee was provided. This framework is designed to empower directors, employees, and other stakeholders to confidentially report any unethical behaviour, fraud and violations of our code of conduct, thereby safeguarding against victimization and promoting an ethical workplace.

During the year, no person was denied access to the Audit Committee for expressing their concerns or reporting grievances under the Whistle Blower Policy.

Whistle Blower policy is available on the website of your Company at https://fractal.ai/docs/Investor-Relations/Policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

Your Company has adequate system of internal financial control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. Your Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements. To further monitor and evaluate adequacy & effectiveness of the internal control systems, your Company conducts internal audit from time to time and take requisite corrective actions, as required, based on the reviews of the internal auditor's report.

VOTING RIGHTS NOT EXERCISED DIRECTLY BY EMPLOYEES

Not applicable.

INTERNAL AUDIT

The Board at its meeting held on June 17, 2024, recommended the re-appointment of M/s. PricewaterhouseCoopers Services LLP, Chartered Accountants and also the appointment of M/s. Ernst and Young LLP (EY), as Internal Auditors of the Company for a period of 3 years i.e. from financial year 2024-25 to financial year 2026-27. For the period under review, the Internal auditor had submitted their report to the Audit Committee (formerly known as Audit and Risk Committee) at periodic intervals. The main thrust of internal audit was to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practice in the industry.

STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s. B S R & Co. LLP, Chartered Accountants were re-appointed as Statutory Auditors of your company at 24th AGM held on August 30, 2024, for a term of five consecutive years to hold office from the conclusion of the said AGM until the conclusion of 29th AGM of the Company.

There are no qualifications, reservations, adverse remarks or disclaimers made by M/s. B S R & Co. LLP, Statutory Auditors in their Report for FY 2025-26. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year under review. The observations made in the Report under Section 143(3) of the Act read with Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 are self-explanatory and do not call for any further comments.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

Pursuant to Section 143(12) of the Act, during the financial year under review there were no frauds reported by the Auditors of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Makarand M. Joshi & Co., ('MMJC') Company Secretaries to conduct the Secretarial Audit of your Company for FY 2025-26.

The Secretarial Audit Report issued by M/s. Makarand M. Joshi & Co. is enclosed as **'Annexure D'** and forms part of the Board report.

There were no qualifications, reservations or adverse remarks/ comments or disclaimer made by the aforesaid Auditors in their audit reports.

The said Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

MAINTAINANCE OF COST RECORDS

The provisions of Section 148(1) of the Act relating to maintenance of cost records do not apply to your Company considering the nature of services provided by your company.

CONSERVATION OF ENERGY AND ENVIRONMENT PROTECTION

Fractal continues to make meaningful and measurable progress in the management of its environmental responsibilities. During the financial year 2025-26, Fractal continued to maintain a focused approach towards energy conservation, greenhouse gas ('GHG') emissions management, and the adoption of sustainable operational practices across its India offices in Mumbai, Gurugram, and Bengaluru. The disclosures set out in this section reflect the Fractal's ongoing commitment to the principles of environmental stewardship, resource efficiency, and transparent sustainability governance.

A. CONSERVATION OF ENERGY

(i) Steps Taken and Impact on Conservation of Energy

Fractal has taken several targeted measures during FY 2025-26 to reduce energy consumption and improve operational efficiency across its facilities. Regular energy monitoring is carried out across all operational facilities to identify and address inefficiencies on an ongoing basis. Energy efficiency measures include optimized HVAC settings (24-26°C) and prioritize procurement of energy-efficient rated equipments (BEE, EPEAT, ENERGY STAR et al).

Refrigeration systems amongst Fractal's largest offices were progressively transitioned to low Global Warming Potential (low-GWP) refrigerants, with faulty units and new purchases being replaced accordingly. This phased approach is expected to reduce both direct energy demand and associated refrigerant-related emissions over time. End-of-life refrigerant based water dispensers were replaced with non-refrigerant-based alternatives, and new procurement was aligned to the same standard, reducing direct refrigerant emissions.

In the area of water resource management, total water consumption across all India sites stood at 9,866 cubic meters during the fiscal year 2025-26. Fractal is currently in the planning stage for a non-invasive water meter pilot program which will enable granular, real-time monitoring and materially improve the accuracy of water consumption reporting in future periods.

With respect to waste management, Fractal is actively advancing towards TRUE (Total Resource Use and Efficiency) Zero Waste to Landfill certification, in collaboration with the Indian Green Building Council ('IGBC'). Structured programs for waste segregation, recycling, and reuse are in place across all facilities, and sustainable material management and circular economy principles have been embedded into procurement and facilities management practices. Fractal aims to achieve TRUE certification by FY 2026-27, which will represent a significant milestone in its responsible waste management programs.

(ii) Steps Taken for Utilizing Alternate Sources of Energy

Fractal has made significant strides in the adoption of renewable energy across its India operations. During FY 2025-26, 100% renewable energy was sourced for its offices at Mumbai and Bengaluru (3 offices) facilities, resulting in a reduction of over 90% in indirect emissions, compared to the baseline year FY 2019-20.

All three Bengaluru facilities, including the two newer facilities, continue to source Category 3 (Energy - Building Services) HVAC (chiller) electricity consumption through state provided green power. Additionally, through sustained engagement with the base building management (Oberoi Realty, Mumbai), Fractal successfully transitioned Category 3 HVAC electricity consumption for the Mumbai office to a Green Tariff, effective January 2026.

In the area of transport, Fractal is progressively transitioning its employee transport operations towards lower-carbon alternatives. Through a targeted expansion of the electric vehicle (EV) fleet for business travel, approximately 75% of total business travel distance is now covered by EVs, resulting in a significant reduction in Scope 3 Category 6 (Business Travel) emissions. In parallel, for night transport of its employees, EV's currently account for 36% of total distance travelled, supporting the reduction of Scope 3 Category 7 (Employee Commuting) emissions. Together, these initiatives reflect Fractal's broader commitment to sustainable and responsible operations.

(iii) Capital Investment on Energy Conservation Equipment

During FY 2025-26, Fractal did not incur any standalone capital expenditure exclusively designated for energy conservation equipment. However, energy efficiency and sustainability considerations are systematically embedded into the Company's capital procurement and facilities management decisions. All equipment procured during the year – including HVAC systems, refrigeration units, water dispensers, and IT hardware – was evaluated against recognised energy efficiency standards such as BEE, EPEAT, and ENERGY STAR ratings, with energy-efficient alternatives being prioritised at the time of replacement and new procurement. The progressive transition to low Global Warming Potential (low-GWP) refrigerants and the expansion of the electric vehicle fleet for business and employee transport further reflect the Company's commitment to directing capital towards environmentally responsible and energy-efficient solutions. Accordingly, while energy conservation investment is not tracked as a discrete capital line item, it forms an integral part of Fractal's broader operational and sustainability capital allocation framework.

B. GREENHOUSE GAS EMISSIONS

Fractal reports its greenhouse gas emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, covering its India operations across Mumbai, Gurugram, and Bengaluru. The emissions data for FY 2025-26 is summarized below.

Scope 1 – Direct Emissions

Gross Scope 1 direct emissions for FY 2025-26 amounted to approximately 45,390 kg CO_2 equivalent. These emissions are principally attributable to diesel consumption from its power backup (DG set) systems, HVAC operations, refrigeration systems, and fire extinguisher usage within the boundaries of the Fractal's India offices. The updated emission factors, along with the measures described in Section "A" above – including the adoption of low-GWP refrigerants and the replacement of refrigerant-based dispensing units– have contributed to a reduction in Scope 1 emissions during the year.

Scope 2 – Indirect Emissions from Purchased Energy

Gross location-based Scope 2 indirect emissions amounted to 65,165 kg CO_2 equivalent for FY 2025-26. The sourcing of 100% renewable energy for the Mumbai and Bengaluru offices has delivered a reduction of over 90% in indirect emissions, compared to the baseline year FY 2019-20, representing a significant step forward in Fractal's transition to low-carbon energy consumption.

Scope 3 – Other Indirect Emissions

Gross Scope 3 other indirect emissions for the year amounted to 18,126,605 kg CO_2 equivalent. These emissions encompass a range of value chain activities, including purchased goods and services, capital goods, fuel and energy-related activities not included in Scope 1 or 2 (building services energy consumption), waste generated in operations (including water waste), business travel (surface and air), and employee commuting (including employee commute and night-drop transport). Key Scope 3 reduction initiatives include the transition of Category 3 (Energy - Building Services) HVAC electricity to a Green Tariff from January 2026, achieved through sustained engagement with base building management (Oberoi Realty, Mumbai); a growing EV fleet now covering approximately 75% of business travel distance and 36% of night transport distance, with the latter targeted to reach 50% by 2030; and ongoing water conservation efforts encompassing behavioral awareness programs, sensor-based washroom taps, and continuous utility monitoring.

C. GHG ASSURANCE AND REPORTING FRAMEWORK

Fractal has maintained independent third-party assurance for past six fiscals (FY 2019-20 through FY 2024-25) under the AA1000AS standard. Fractal continues to subject its GHG data and sustainability disclosures to independent third-party assurance under the AA1000 Assurance Standard (AA1000AS). This assurance process is grounded in the principles of inclusivity, materiality, and responsiveness to stakeholder concerns, and provides reasonable confidence in the reliability and completeness of the information disclosed.

D. CERTIFICATIONS AND STRATEGIC MILESTONES

Fractal maintained its ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems) certifications at its major facilities during FY 2025-26. In a meaningful expansion of this program, both certifications were extended during the year to co-working spaces in Pune and Noida, and to two newly managed office locations in Bengaluru, thereby ensuring that consistent environmental and safety management standards are upheld across all of Fractal's operational locations.

Building upon the WELL Platinum certification achieved by the Mumbai office in FY 2023-24, the Fractal initiated the adoption of WELL Platinum design standards for new workplace fit outs in FY 2025-26. This initiative reflects Fractal's commitment to creating workplaces that promote the health, well-being, and productivity of its employees while meeting the highest internationally recognized standards of sustainable design.

TRUE Zero Waste to Landfill Certification:

Fractal is advancing toward TRUE (Total Resource Use and Efficiency) certification in collaboration with IGBC, reinforcing its commitment to zero-waste principles.

This initiative emphasizes:

- Waste reduction through segregation, recycling, and reuse
- Adoption of sustainable material management practices
- Implementation of a circular economy approach

The organization aims to achieve TRUE certification by FY 2026-27, marking a significant milestone in responsible waste management and operational excellence.

E. FUTURE COMMITMENTS

Fractal will continue aligning its operational and sustainability strategies with globally recognized frameworks, including:

AA1000AS, GRI, LEED, WELL, IGBC, and ISO standards.

These efforts will ensure:

- Transparent and credible ESG reporting
- Enhanced stakeholder engagement
- Continuous improvement in environmental performance

TECHNOLOGY ABSORPTION

Your company has adopted a Zero Trust, SASE-based architecture, GenAI / Automations, FinOps, Safe & Secure Network, as part of the overall security enhancement, has implemented the following capabilities with roughly 4 months efforts which includes POC, testing, implementation, transition, consolidation etc.

Benefits derived

These initiatives have resulted in improved system availability and performance, stronger threat detection and incident response capability, enhanced regulatory and data-protection compliance, reduced operational risk through automation, and improved cost visibility and control (FinOps) over cloud and GenAI consumption. As the Company is engaged in IT/ITES services, benefits are primarily in the nature of operational efficiency, service quality, and risk reduction rather than product development or import substitution.

IT ("Information Technology") doesn't incur any cost on POCs or research/development.

Digital Experience Monitoring

A digital experience monitoring solution is used to assess how employees connect to internal systems—whether from the office, home, or remote locations. It provides real-time insights into connectivity and performance issues across devices, networks, or applications to enable faster issue resolution and maintain high productivity.

Immutable Backup Repository

A secure backup solution is in place to automatically protect critical business data across on-premises and cloud environments. It ensures fast recovery in case of disruptions, mitigates risks from data loss or cyber threats, and supports business resilience and compliance.

Endpoint Backup Solution

Endpoint data is protected through an automated and encrypted backup platform. This ensures secure storage of data from employee devices, especially remote users, maintaining regulatory compliance and business continuity.

Secure File Transfer

A secure file transfer platform enables the organization to share large or sensitive files efficiently and safely. It supports encrypted and trackable transfers to external clients and internal teams, improving operational efficiency and data protection. An additional new interface allowing file transfer with enhanced security allowing uploads / downloads via individual links.

Centralized Log Management

A centralized logging and security event monitoring solution has been deployed to improve threat detection, user activity monitoring and compliance adherence through real-time insights and analytics.

Automated Patch Management

An automated platform manages patching across all enterprise systems and third-party applications. It ensures timely updates, minimizes security gaps, and maintains business continuity with minimal operational impact.

Vulnerability Assessment

A vulnerability management tool is used to identify and remediate security weaknesses across systems and applications. It supports proactive defence, compliance readiness, and overall risk reduction through regular automated scans.

New Virtualisation Solution – Private Cloud

An Updated Virtualisation Solution has been deployed to support the updated requirements and to setup our internal private cloud environment.

DR Enablement

Active DR has been enabled using the new DC at Bengaluru Manyata to support critical applications.

Endpoint Privilege Management

Privileged access on endpoint devices is tightly controlled, allowing users to perform their roles without unnecessary admin rights. This reduces exposure to threats like ransomware and ensures secure and compliant device usage.

Endpoint Detection and Response (EDR)

An advanced EDR platform has been deployed to protect endpoints and servers from both external and internal cyber threats. It leverages threat intelligence and AI/ML features to provide real-time detection and response.

Security Incident and Event Monitoring (SIEM)

A next-generation SIEM system enhances the ability to detect, investigate, and respond to security threats. It uses analytics-driven insights to improve visibility and strengthen SOC operations efficiency.

Cloud Access Security Broker (CASB)

A CASB solution is in place to control data access and enforce policies across cloud services and websites. It monitors data uploads, detects credential misuse, and prevents leakage of sensitive information across SaaS and IaaS environments.

Zero Trust Network Access (ZTNA)

ZTNA has been implemented on endpoint devices to enforce access based on identity, device, and context. It follows a least-privilege model, providing secure, segmented access to internal resources.

Internet Access Control

A cloud-based internet gateway has been configured on all endpoints to manage and monitor internet usage. It protects against harmful sites and enables role-based access control for users across business functions and client projects.

Email Security

An AI-driven email security platform protects users against phishing and other malicious emails. It features behavioural analysis, sandboxing, impersonation detection, and allows users to report threats for faster incident response.

Data Loss Prevention

A data loss prevention system monitors data movement across endpoints and email, preventing unauthorized access, transfer, or leakage of sensitive business information. It helps safeguard intellectual property and personal data.

Cloud Security Posture Management

A cloud infrastructure security governance tool helps monitor security configurations and detect compliance gaps. It provides visibility across cloud environments and supports continuous security improvement.

Backup and Restoration

A comprehensive backup solution protects on-premises and cloud-hosted production environments. Daily, weekly, and monthly backups are scheduled to meet business continuity and restoration objectives.

Infrastructure Monitoring

A unified monitoring platform provides real-time visibility across the hybrid infrastructure. It includes dashboards, application performance tracking, alerting, and automated responses to minimize downtime and service disruptions.

Web Application Firewall

A web application firewall is deployed in front of key systems to inspect incoming traffic and block threats. It helps protect public-facing applications from various types of cyber-attacks.

Privileged Access Management

Privileged access management solutions are used to secure and monitor access to critical systems. This includes oversight of administrative actions across servers, applications, and endpoints to reduce the risk of misuse or breaches.

Configuration & Endpoint Management

Configuration and endpoint management platforms have been implemented to manage Windows and Mac devices. These tools support software deployment, application control, and device compliance across the organization.

GenAI Enablement

IT manages access to Generative AI tools through controlled license assignments and hard capping (FinOps & Governance/ controls) token consumption, ensuring responsible deployment across the organization.

Our centralized governance framework maintains transparent tracking of licenses and API consumption (dashboard) enabling data-driven decisions and cost control. we balance innovation with financial prudence, ensuring Gen AI tools deliver measurable business value while maintaining compliance and security standards.

Safe & Secured Network

A comprehensive network security framework has been established to safeguard the organization's infrastructure across all locations and connectivity models. It enforces consistent security policies, enables secure segmentation, and provides resilience against both internal and external threats – ensuring reliable and protected access for users, applications, and data across the enterprise.

Secure GenAI access

Controlled and governed access to Generative AI platforms has been instituted to enable responsible and secure adoption across the organization. Access is managed through policy-driven guardrails, ensuring that AI interactions remain compliant with data protection standards, prevent exposure of sensitive information, and align with the organization's broader security posture and acceptable use policies.

Automation

An automation capability has been introduced to streamline repetitive operational and business processes across functions. By reducing manual intervention, it improves efficiency, minimizes human error, accelerates service delivery, and enables teams to focus on higher-value activities – supporting both operational excellence and scalability as the organization grows.

Modernization

A strategic modernization initiative is underway to evolve the organization's technology landscape in alignment with current and future business needs. This encompasses upgrading legacy systems, adopting cloud-native approaches, and re-platforming key workloads to improve agility, performance, and maintainability – laying a resilient foundation for sustained innovation and growth.

FOREIGN EXCHANGE EARNINGS AND OUTGO

As of March 31, 2026, the details of the foreign exchange earnings and outgo for the year under review and previous year are as under:

Total Foreign Exchange Earned and Outgo	March 31, 2026 (INR in Million)	March 31, 2025 (INR in Million)
Foreign Currency Earnings	18,890	10,687
Foreign Exchange Outgo	35	2

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER BALANCE SHEET DATE, IF ANY

1. During the financial year under review, the following corporate actions has taken place for the Company as well as the subsidiaries of the Company:

    a. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on February 16, 2026 pursuant to the filing of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus on August 12, 2025, February 02, 2026, and February 11, 2026, respectively.

    b. The Board of Directors of Cuddle Artificial Intelligence Private Limited, Final Mile Consultants Private Limited, Neal Analytics Services Private Limited, Theremin AI Solutions Private Limited, Fractal Alpha Private Limited, Eugenie Technologies Private Limited ("Transferors") with Senseforth AI Research Private Limited ("Transferee") in their respective board meetings had approved scheme of arrangement subject to requisite approvals, consents permissions of the shareholders and creditors as applicable, of these companies and due sanction of National Company Law Tribunal ("NCLT") Mumbai bench based on share exchange ratio as determined, followed by a reduction of paid-up equity share capital of the Transferee. The NCLT in its original order dated September 03, 2025 and revised order dated September 23, 2025 approved the scheme of merger and necessary filings with the Registrar of Companies (RoC) have been made which was subsequently approved by the RoC vide e-mail dated November 12, 2025.

    c. Pursuant to the share purchase agreement dated November 22, 2025, our Company purchased 100,138 (One Lakh One Hundred and Thirty-Eight) equity shares of Analytics Vidhya Educon Private Limited, constituting 41.46% of the equity share capital of Analytics Vidhya Educon Private Limited on a fully diluted basis, for an aggregate consideration of ₹487 million with effect from November 22, 2025, thereby making it wholly owned subsidiary of the Company.

    d. Theremin Multi Strategy Fund LLP has been struck off from the Register and stands dissolved as of August 21, 2025.

2. The following corporate actions have taken place for subsidiaries of the Company post March 31, 2026 and prior to the report date:

    a. The Board of Analytics Vidhya Educon Private Limited in its board meeting held on April 3, 2026, approved the acquisition of the intellectual property and the related business of 'Edtech', 'Fractal Analytics Academy (FAA)',and 'Iqigai.ai' from Fractal Analytics Limited with effect from April 1, 2026, by way of slump-sale, on a going concern basis including authorization for finalization, execution, delivery, performance of business transfer agreement ('BTA') and other requisite, ancillary or related documents /agreements as may be required. Further, the Board had approved modifications to the BTA by incorporating revised effective date and consideration in their Board Meeting held on July 23, 2026. The remaining terms and conditions of the BTA, as approved by the Board, remain materially unchanged.

    b. The Board of Analytics Vidhya Educon Private Limited in its Board meeting held on April 3, 2026, has approved offer and issue of equity shares of Analytics Vidhya Educon Private Limited on rights basis in one or more tranches, up to a maximum of ₹ 394 million at fair market value, as may be calculated in accordance with applicable laws

    c. Fractal Frontiers Inc. has been dissolved with effect from July 21, 2026.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014, your Company has framed a policy on Corporate Social Responsibility ('CSR'). Further, the Corporate Social Responsibility and Environmental, Social, and Governance (CSR & ESG) committee was re-constituted in the Board Meeting dated August 01, 2025.

Further, the Company also has an ESG Policy in place which was amended on September 04, 2025, and further amended on May 20, 2026, to incorporate various modifications.

The latest CSR policy is available on the website of the Company at https://fractal.ai/docs/Policy/Fractal-CSR-Policy.pdf. The latest ESG policy of the Company is also available on the website of the Company at https://fractal.ai/docs/Policy/Fractal-ESG-Policy.pdf.

- Fractal's Corporate Social Responsibility (CSR) philosophy centers around making a positive impact on people, the planet that we share and the communities that Fractal is honored to operate in. Fractal CSR thrust areas include - i) enhancing equitable educational outcomes for disadvantaged children, ii) empowering women to be financially independent and iii) improving quality & affordability of healthcare, safe housing solutions. iv) taking intelligent and science-based actions to reduce Fractal's carbon footprint, improve its protection and preservation of biodiversity, and to take action to address climate change and its impacts in line with the United Nations Sustainability Development Goal (UN SDG) 13.
- The CSR activities of the Company were undertaken primarily through partnering with a registered trust, Section 8 Company or society which work closely on the same lines as the CSR objectives of the Company i.e., enhancing

equitable educational outcomes for disadvantaged children, empowering women to be financially independent and improving quality & affordability of healthcare, radiological expertise and provision of safe housing solutions, taking intelligent and science-based actions to reduce Fractal's carbon footprint, improve its protection and preservation of biodiversity, and to take action to address climate change and its impacts in line with the United Nations Sustainability Development Goal (UN SDG) 13.

As part of its CSR initiatives, the Company contributed funds and implemented projects focused on providing mobility aids to persons with disabilities, promoting nature-positive farming and sustainable rural livelihoods, supporting the education of deserving girls through scholarships and career guidance, enhancing employability and financial independence for underprivileged women through skill development initiatives, and improving menstrual health awareness and access to hygiene resources for adolescent girls, thereby advancing inclusion, healthcare, education, women's empowerment, and sustainable livelihood opportunities for underserved communities. The details about the policy developed and implemented by the Company on CSR initiatives taken during the year are set out under **'Annexure E'.**

AWARDS AND RECOGNITIONS

In the FY 2025-26, the Company received awards and was recognised as follows:

Calendar Year	Award
2025	Recognized as a leader among the 'Customer Analytics Service Providers' in the Forrester Wave: Customer Analytics Services, Q2 2025 Report prepared by Forrester Research, Inc.
2025	Recognized as a 'Notable Provider' in The AI Consulting Services Landscape, Q3 2025 by Forrester Research, Inc.
2025	Recognized among 'India's Best Companies to Work for 2025' by Great Place to Work Institute, India
2025	Recognized as a 'Leader' in the Data and AI Services Specialists – North America PEAK Matrix® Assessment 2025 by Everest Group
2025	Selected by Ministry of Electronics and Information Technology for the development of India's foundation models under the India AI Mission
2025	Recognized for Best Indian LLM Innovation with a special mention for Outstanding Work in AI Implementation at the ET Making AI Work Awards 2025 by the Economic Times
2025	Recognized as Best AI Application of Tech for Good at the Financial Express Futech Summit & Awards
2025	Awarded the 'Best Workplace of the Year' in the Entrepreneur Awards 2025
2025	Recognized as one of the Best-Led Companies of 2025 by Glassdoor (Top 50)
2025	Recognized among the Top 50 | large India's best workplaces for women by Great Place to Work India 2025
2025	Recognized among the large India's best workplaces for diversity, equity, inclusion and belonging by Great Place to Work India 2025
2025	Recognised for Best E- learning, Blended, Flipped Classroom Solution or Remote Solution by Brandon Hall Group
2025	Recognized for Best Innovation - Generative AI Powered Learning Solution by Brandon Hall Group
2025	Recognized as a 'Leader' in ISG Provider Lens ™ for Generative AI Services 2025 by Information Services Group(ISG)
2025	Recognized as a 'Leader' in ISG Provider Lens ™ for Advanced Analytics and AI Services 2025 by Information Services Group(ISG)
2025	Recognized as a 'Leader' in ISG Provider Lens ™ for Speciality Analytics Services 2025 by Information Services Group(ISG)
2025	Recognized as a 'Major Contender' in Global Capability Center (GCC) Transformation Capabilities in India – PEAK Matrix® Assessment 2025 by the Everest Group
2025	Recognized as a 'Major Contender' in Life Sciences AI and Analytics Services for Commercial PEAK Matrix® Assessment 2025 by the Everest Group
2025	Fractal won 'Gold' Award for Excellence in cultivating a culture of Trust and High Performance at the ET Human Capital Awards 2025
2025	Recognized as a 'Leader' in ISG Provider Lens ™ for Speciality Analytics - Supply Chain 2025 by Information Services Group(ISG)
2025	Recognized as a 'Leader' in ISG Provider Lens ™ for Speciality Analytics - CPG & Retail 2025 by Information Services Group(ISG)
2025	Recognized as a 'Leader' in ISG Provider Lens ™ for Speciality Analytics - Healthcare and Lifesciences 2025 by Information Services Group(ISG)
2025	Recognized as a 'Niche Player' in Gartner Magic Quadrant for Marketing Mix Modeling Solutions 2025 by Gartner
2025	Recognized as a 'Leader' in AIM PeMa for Agentic AI Services 2025 by Analytics India Magazine
2025	GPTW Certified by Great Place to Work for 2025 - 9 years in a row
2025	Recognized as Microsoft Retail and Consumer Goods Partner of the Year 2025

Calendar Year	Award
2025	Coursera AI Innovation Award 2025
2026	Recognised as a 'Horizon 2 Enterprise Innovator' in the HFS Research Horizon Report on Data Modernization & AI
2026	Recognised as a 'Seasoned Vendor' in AIM PeMa for Agentic AI Platforms 2026 by Analytics India Magazine
2026	Databricks Gold Partner - Fractal has achieved Gold Partner (formerly named 'Elite Partner') status with Databricks

SEXUAL HARASSMENT POLICY

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has adopted a policy on the prevention of sexual harassment at the workplace. Pursuant to this policy, an Internal Complaints Committee (ICC) has been constituted, comprising designated members, including an external NGO representative. The names and email addresses of the ICC members, along with a summary of the policy and the detailed procedure for raising and addressing complaints, have been displayed on the notice board and other prominent locations within the workplace. The policy also establishes a formal mechanism for the reporting, investigation, and redressal of complaints relating to sexual harassment.

The details in relation to the Sexual Harassment Policy and the complaints received during the year under Sexual Harassment Policy are as follows:

No. of complaints filed during the financial year	No. of complaints disposed off during the financial year	No. of complaints pending as on end of the financial year	No. of complaints pending more than ninety days	Nature of action taken
0	0	0	0	NA

To ensure that the employees are aware about the policy and the related guidelines, your Company has an online awareness training program which all employees are required to undertake during the year. The same is also a mandatory program which has to be undertaken by a new employee during the induction period and has to be completed within first 30 days of joining the organization.

MATERNITY BENEFITS ACT, 1961

The Company is compliant with the applicable provisions of the Maternity Benefit Act, 1961 and has policies, systems and processes in place to ensure ongoing compliance.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India i.e., SS-1 relating to "Meetings of the Board of Directors" and SS-2 relating to "General Meetings" and the Company has complied with the Secretarial Standards during the financial year under review.

SIGNIFICANT AND MATERIAL ORDERS

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company's operations in future.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The disclosure under this head is not applicable to the Company as the Company has no proceedings pending nor any applications were made thereunder.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS

There has been no such instance, hence the disclosure under this head is not applicable to your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, your directors confirm that:

(a) in the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profits of the Company for the year ended on that date;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the directors had prepared the annual financial statements on a 'going concern' basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your directors would like to express sincere gratitude to all the valuable stakeholders of the Company viz., customers, shareholders, vendors, bankers, business associates, regulatory authorities, Central and State Government Departments, government authorities for their excellent support and co-operation extended by them during the financial year under review.

The Board also places on record its appreciation for the valuable contribution made by the employees at all levels for their dedication, hard work, support, and co-operation during the financial year.

For and on behalf of Board of Directors of Fractal Analytics Limited

Srikanth Velamakanni
Whole-time Director
DIN: 01722758
Date: July 29, 2026
Place: London

Sasha Gulu Mirchandani
Non-Executive Director
DIN: 01179921
Date: July 29, 2026
Place: London

Annexure A

(This annexure forms part of the Board's Report)

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Section 197 of the Act Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Ratio of remuneration of each director to the median remuneration of the employees of the Company for FY 2025-26 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the FY 2025-26:

Name	Designation	Ratio of remuneration of each Director to median remuneration of employees^ (Excluding perquisites under Employee Stock Option Scheme) (Refer notes below)	Increase in Remuneration (Excluding perquisites under Employee Stock Option Scheme) (%)	Ratio of remuneration of each Director to median remuneration of employees^ (Including perquisites under Employee Stock Option Scheme) (Refer Notes below)	Increase in Remuneration (Including perquisites under Employee Stock Option Scheme) (%)
DIRECTORS					
Puneet Bhatia*	Chairman & Non - Executive Director	-	Not Applicable	-	Not Applicable
Rohan Haldea**	Chairman & Non - Executive Director	-	Not Applicable	-	Not Applicable
Srikanth Velamakanni	Whole-time Director and group chief executive and executive vice-chairman	57.33	26%	56.67	26%
Pranay Agrawal#	Non-Executive Director and Chief Executive Officer, Fractal Analytics Inc.	-	Not Applicable	-	Not Applicable
Sasha Gulu Mirchandani	Non - Executive Director	-	Not Applicable	-	Not Applicable
Gavin Echlin Patterson	Non-Executive Director	-	Not Applicable	-	Not Applicable
Vivek Mohan	Non-Executive Director	-	Not Applicable	-	Not Applicable
Neelam Dhawan	Independent Director	5.83	10%	5.76	10%
Karen Ann Terrell	Independent Director	5.82	13%	5.76	13%
Janaki Akella	Independent Director	5.23	$	5.17	$
KEY MANAGERIAL PERSONNEL					
Ashwath Bhat#	Chief Financial Officer and Group Chief Financial Officer***	-	Not Applicable	-	Not Applicable
Somya Agarwal	Company Secretary and Compliance Officer	6.85	7%	8.33	(17%)

^The expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; if there is an even number of observations, the median shall be the average of the two middle values.

Notes:

1. The ratio of remuneration to median remuneration relates to the employees of the Company excluding subsidiaries.

2. In the financial statements, remuneration has been disclosed on an accrual basis, however in the above section, for the purpose of better comparison, remuneration has been disclosed on an actual basis.

**Mr. Puneet Bhatia, Chairman and Non-Executive Director resigned from the Board with effect from August 2, 2025.*

***Mr. Rohan Haldea, Non-Executive Director was appointed as Chairman of the Board with effect from August 2, 2025.*

****Mr. Ashwath Bhat, Chief Financial Officer and Group Chief Financial Officer, resigned with effect from close of business hours of July 24, 2026.*

$ Appointed as an Independent Director with effect from August 01, 2024. Remuneration was paid for part of the financial year 2024-25, hence, percentage increase / (decrease) in remuneration is not comparable.

#Pranay Agrawal, Non-Executive Director and Chief Executive Officer, Fractal Analytics Inc. and Ashwath Bhat, Chief Financial Officer and Group Chief Financial Officer drew remuneration from Fractal Analytics Inc., a wholly-owned subsidiary of the Company and did not receive any remuneration from the Company. Hence, ratio to the median remuneration and increase/(decrease) in remuneration are not stated.

ii. The percentage increase in the median remuneration of employees in the FY 2025-26:
16.12% excluding perquisites under Employee Stock Option Scheme and 16.76% including perquisites under Employee Stock Option Scheme.

iii. The number of permanent employees on the rolls of the Company as on March 31, 2026:
5,112 employees

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration

The average increase in the salaries of all employees for FY 2025-26 was 10.69%. The average increase in remuneration of managerial personnel was 8.77% and non-managerial personnel was 10.7%.

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE B

(This annexure forms part of the Boards' Report)

E-FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures, included in the consolidated financial statements.

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

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

I. Details of subsidiaries:

(Direct Subsidiaries)

(Value in Rupees million)

Sr. No.	1	2	3	4
Name of the subsidiary	**Fractal Analytics Inc.**	**Fractal Private Limited**	**Senseforth AI Research Private Limited[a)]**	**Analytics Vidhya Educon Private Limited[b)]**
The date since when the subsidiary was incorporated	02-10-2003	26-09-2003	27-03-2017	18-02-2014
The date since when the subsidiary was acquired	-	-	03-08-2021	10-09-2021
Financial year ended	31-03-2026	31-03-2026	31-03-2026	31-03-2026
Reporting currency	USD	SGD	INR	INR
Average Rate	88.3262	68.5107	1	1
Closing rate	93.8539	72.8077	1	1
Share Capital	99	7	26	2
Reserves & Surplus	2,475	177	(1)	(42)
Total Assets	15,357	256	71	120
Total Liabilities	12,783	72	45	160
Investments	1,409	110	-	0
Turnover	25,878	194	5	350
Profit before taxation	1,283	10	3	28
Provision for taxation	(510)	1	(3)	(2)
Profit after taxation	1,793	9	6	30
Proposed Dividend	-	-	-	-
% of share-holding	100% by Fractal Analytics Limited	100% by Fractal Analytics Limited	99.99% by Fractal Analytics Limited	100% by Fractal Analytics Limited

(Step-down subsidiaries)

Sr. No.	5	6	7	8	9	10
Name of the subsidiary	**Fractal LLC-FZ**	**Asper.AI Technologies Private Limited**	**Fractal Analytics UK Limited**	**Fractal Analytics (Canada) Inc.**	**Fractal Analytics (Switzerland) GmbH**	**Fractal Analytics Germany GmbH**
The date since when the subsidiary was incorporated	02-09-2022	18-09-2019	19-03-2010	11-12-2013	16-06-2014	12-09-2016
The date since when the subsidiary was acquired	-	17-05-2021	-	-	-	-
Financial year ended	31-03-2026	31-03-2026	31-03-2026	31-03-2026	31-03-2026	31-03-2026
Reporting currency	AED	INR	GBP	CAD	CHF	EUR
Average Rate	24.1012	1	118.3844	63.9176	110.0807	102.3590
Closing Rate	25.5500	1	124.0695	67.3854	117.3709	107.9914
Share Capital	3	97	0	1	2	3

Sr. No.	5	6	7	8	9	10
Name of the subsidiary	**Fractal LLC-FZ**	**Asper.AI Technologies Private Limited**	**Fractal Analytics UK Limited**	**Fractal Analytics (Canada) Inc.**	**Fractal Analytics (Switzerland) GmbH**	**Fractal Analytics Germany GmbH**
Reserves & Surplus	55	152	926	134	25	9
Total Assets	349	547	1,244	172	31	21
Total Liabilities	292	299	318	37	4	9
Investments	-	-	-	-	-	-
Turnover	242	656	1,358	201	10	24
Profit before taxation	22	91	125	19	1	2
Provision for taxation	1	24	63	5	0	1
Profit after taxation	21	67	63	14	1	1
Proposed Dividend	-	-	-	-	-	-
% of share-holding	100% by Fractal Private Limited, (Singapore)	100% by Asper. AI Inc. (USA)	100% by Fractal Analytics Inc. (USA)	100% by Fractal Private Limited, (Singapore)	100% by Fractal Private Limited, (Singapore)	100% by Fractal Private Limited, (Singapore)

(Step-down subsidiaries)

Sr. No.	11	12	13	14	15	16
Name of the subsidiary	**Cuddle.ai Inc c)**	**Fractal Analytics Netherland B.V.**	**Limited Liability Company "Symphony (Ukraine)"**	**Final Mile Consulting LLC**	**Fractal Analytics Australia Pty Ltd.**	**Analytics Vidhya Inc. (USA)**
The date since when the subsidiary was incorporated	02-03-2017	18-07-2017	01-08-2017	06-07-2012	06-06-2018	08-08-2023
The date since when the subsidiary was acquired	-	-	-	-	-	-
Financial year ended	31-03-2026	31-03-2026	31-03-2026	31-03-2026	31-03-2026	31-03-2026
Reporting currency	USD	EUR	UAH	USD	AUD	USD
Average Rate	88.3262	102.3590	2.0869	88.3262	58.3237	88.3262
Closing Rate	93.8539	107.9914	2.1277	93.8539	64.5161	93.8539
Share Capital	-	2	17	1	29	0
Reserves & Surplus	-	41	21	(307)	147	4
Total Assets	-	61	51	27	259	8
Total Liabilities	-	18	13	333	83	4
Investments	-	-	-	-	-	-
Turnover	-	141	59	20	216	87
Profit before taxation	0	13	6	5	22	3
Provision for taxation	-	4	1	-	7	1
Profit after taxation	0	9	5	5	16	2
Proposed Dividend	0	-	-	-	-	-
% of share-holding	-	100% by Fractal Private Limited, (Singapore)	100% by Fractal Private Limited, (Singapore)	100% by Fractal Analytics Inc. (USA)	100% by Fractal Private Limited, (Singapore)	100% by Analytics Vidhya Educon Private Limited

(Step-down subsidiaries)

Sr. No.	17	18	19	20	21
Name of the subsidiary	**Fractal Analytics Sweden AB[f)]**	**Fractal Analytics (Shanghai) Limited**	**Fractal Analytics Malaysia SDN BDH**	**Fractal Frontiers, Inc [e)]**	**Senseforth Inc**
The date since when the subsidiary was incorporated	20-12-2018	19-11-2018	04-09-2018	03-03-2022	23-02-2017
The date since when the subsidiary was acquired	-	-	-	-	03-08-2021
Financial year ended	31-03-2026	31-03-2026	31-03-2026	31-03-2026	31-03-2026
Reporting currency	SEK	CNY	MYR	USD	USD
Average Rate	9.3723	12.4306	21.2374	88.3262	88.3262
Closing	9.8554	13.5999	23.1893	93.8539	93.8539
Share Capital	0	23	12	-	0
Reserves & Surplus	(1)	16	(7)	(0)	62
Total Assets	1	40	5	0	63
Total Liabilities	1	1	-	0	1
Investments	-	-	-	-	-
Turnover	0	4	-	-	0
Profit before taxation	1	0	1	(0)	1
Provision for taxation	(0)	0	-	-	-
Profit after taxation	1	0	1	(0)	1
Proposed Dividend	-	-	-	-	-
% of share-holding	100% by Fractal Private Limited, (Singapore)	100% by Fractal Private Limited, (Singapore)	100% by Fractal Private Limited, (Singapore)	100% by Senseforth AI Research Private Limited	100% by Fractal Analytics Inc. (USA)

(Step-down subsidiaries)

Sr. No.	22	23	24	25
Name of the subsidiary	**Asper.AI Limited**	**Asper.AI Inc.**	**Eugenie.ai Inc**	**Fractal Abu Dhabi**
The date since when the subsidiary was incorporated	07-11-2019	10-05-2019	15-02-2021	26-06-2024
The date since when the subsidiary was acquired	-	17-05-2021	-	-
Financial year ended	31-03-2026	31-03-2026	31-03-2026	31-03-2026
Reporting currency	GBP	USD	USD	AED
Average Rate	118.3844	88.3262	88.3262	24.1012
Closing Rate	124.0695	93.8539	93.8539	25.5500
Share Capital	6	0	0	-
Reserves & Surplus	3	(1,008)	3	6
Total Assets	115	676	3	35
Total Liabilities	106	1,684	0	30
Investments	-	166	-	-
Turnover	133	545	-	32
Profit before taxation	3	(386)	(0)	3
Provision for taxation	1	-	-	-
Profit after taxation	2	(386)	(0)	3
Proposed Dividend	-	-	-	-
% of share-holding	100% by Asper.AI Inc. (USA)	87.68% by Fractal Analytics Inc. (USA)	100% by Fractal Analytics Inc. (USA)	100% by Fractal Private Limited, (Singapore)

Note: Amount denoted as "0" is less than INR 1 million

During the financial year, the following changes occurred in the subsidiary companies:

a) The Board of Directors of Cuddle Artificial Intelligence Private Limited, Final Mile Consultants Private Limited, Neal Analytics Services Private Limited, Theremin AI Solutions Private Limited, Fractal Alpha Private Limited, Eugenie Technologies Private Limited and Senseforth AI Research Private Limited in their respective board meetings had approved scheme of arrangement amongst each other subject to requisite approvals, consents permissions of the shareholders and creditors as applicable, of these companies and due sanction of National Company Law Tribunal ('NCLT') Mumbai bench based on share exchange ratio as determined. The NCLT in its original order dated September 03, 2025 and revised order dated September 23, 2025 has approved the scheme of merger and necessary filings with the Registrar of Companies (RoC) have been made.

b) Pursuant to the share purchase agreement dated November 22, 2025, our Company purchased 100,138 equity shares of Analytics Vidhya, constituting 41.46% of the equity share capital of Analytics Vidhya on a fully diluted basis, for an aggregate consideration of ₹487 million with effect from November 22, 2025, thereby making it wholly owned subsidiary of the Company.

c) During the year ended March 31, 2025, Cuddle.ai Inc. one of step-down subsidiary filed for dissolution and was approved dated April 24, 2024 with State of Delaware to be effective from March 31, 2024 and subsequently all the approvals for dissolution have been received by March 31, 2025.

d) Theremin Multi Strategy Fund LLP has been struck off with effect from August 21, 2025.

e) Fractal Frontiers Inc. has dissolved with effect from July 21, 2026.

f) Fractal Analytics Sweden AB is under liquidation.

II. Details related to joint ventures / associates of the Company:

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

Sr. No.	Particulars	Details
1	Name of the Associate/ ~~Joint Venture~~.	Qure.ai Technologies Private Limited
2	Latest Audited Balance Sheet Date	March 31, 2026
3	Date on which the Associate or Joint Venture was associated or acquired	Incorporated on 19 July 2016 as a wholly owned subsidiary. w.e.f. 13 April 2022 it's an Associate.
4	Shares of Associate or Joint Ventures held by the Company on the year end	
	Number	250,000,000
	Amount of Investment in Associates	INR 3,566 million
	Extent of Holding (in percentage)	31.51%
5	Description of how there is significant influence	By virtue of shares (Associate)
6	Reason why the associate is not consolidated.	As per Ind AS 28, "Investments in Associates and Joint Ventures", If any entity has only significant influence over another entity, then it need not to consolidate financial statement of associate and only investment is initially recognised at cost and adjusted thereafter for investor's share of profit & loss and other comprehensive income in associate.
7	Net worth attributable to shareholding as per latest audited Balance Sheet (INR'000)	INR 831 million
8	Profit or (Loss) for the year (INR'000)	
	i. Considered in Consolidation	INR (692) million
	ii. Not Considered in Consolidation	INR (1,505) million

For and on behalf of Board of Directors of
Fractal Analytics Limited

Srikanth Velamakanni
Whole-time Director
DIN: 01722758
Date: July 29, 2026

Sasha Gulu Mirchandani
Non- Executive Director
DIN: 01179921
Date: July 29, 2026

ANNEXURE C

(This annexure forms part of the Board's Report)

Details pertaining to Fractal Employees Stock Option Plan ("Fractal ESOP") for the financial year 2025-26

Sr. No.	Particulars	2007 Fractal Employees Stock Option Plan	2019 Fractal Employees Stock Option Plan	The Fractal Analytics Limited Time Based Key Employees Stock Incentive Plan 2019 (Time Based MIP – 2019)	The Fractal Analytics Limited Performance Based Key Employees Stock Incentive Plan 2019 (Performance Based MIP – 2019)
1	Options granted (net of recission)	-	4,254,212	-	-
2	Options vested	-	2,733,380	104,630	-
3	Options exercised	304,262	623,611	549,253	-
4	The total number of shares arising as a result of exercise of option	304,262	623,611	549,253	-
5	Options lapsed (Net of Revived)	35,000	1,030,256	20,045	299,023
6	Options granted in FY 24-25 and rescinded during the FY 25-26.	Nil	Nil	Nil	Nil
7	The exercise price	The exercise price of shares allotted: Rs 8 each Rs 55.962 each Rs 128 each	The exercise price of Options granted: Rs 169.2 each Rs 454 each Rs 464 each Rs 1,075 each The exercise price of shares allotted: Rs 169.2 each Rs 454 each Rs 643.6 each	The exercise price of shares allotted: Rs 169.2 each Rs 454 each	-
8	Variation of terms of options	Nil	Nil	Nil	Nil
9	Money realized by exercise of options	46,030,658	308,562,416	373,820,526	-
10	Total number of options in force	1,532,385	12,219,198	2,635,235	9,787,517
11	Employee wise details of options granted to:				
a.	Key managerial personnel	Nil	Nil	Nil	Nil
b.	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil	Nil	Nil	Nil
c.	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil	Nil

ANNEXURE D

Secretarial Audit Report

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Fractal Analytics Limited
Level 7, Commerz II, International Business Park,
Oberoi Garden City, Off. W. E. Highway, Goregaon (E),
Mumbai- 400063, Maharashtra,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fractal Analytics Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering from April 01, 2025 to March 31, 2026 (hereinafter referred as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by the Company for financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment **(External Commercial Borrowings is not applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

  a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

  f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 erstwhile Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations') **(Not Applicable to the Company during the Audit Period)** and

i. The Securities and Exchange Board of India (Depositories and Participants) Regulation 2018.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period:

1. Issue and Allotment of Bonus Equity shares of 109,623,164 in the ratio of 1:4 i.e., 4(Four) bonus equity shares of Re. 1 (Rupees One) each for every 1 (one) equity share of Re. 1 (Rupee One) each fully paid up on July 29, 2025.
2. Conversion of 4,523,604 CCPS held by Quinag Bidco Limited and TPG Fett Holdings Pte. Limited into Equity shares on January 23, 2026.
3. Adoption of amended employee stock option schemes/plans of the company
4. Increase in limit of investment by the Non-Resident Indians ("NRI") and Overseas Citizens of India ("OCI"), together, in the equity shares including, without limitation, by subscription in the initial public offering , or direct purchase or acquisition from the open market or otherwise from 10% to 24% of the paid-up equity share capital of the Company.
5. Adoption of amended articles of association of the company for compliance with the listing requirements of the stock exchanges.
6. The Company has filed Red Herring Prospectus with Securities and Exchange Board of India and listed its equity shares on both the Stock Exchange viz. BSE Limited and National Stock Exchange of India Limited w.e.f. February 16, 2026.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025
Deepti Joshi
Partner
FCS: 8167
CP: 8968
UDIN: F008167H000422229

Date: May 20, 2026
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

To,
The Members,
Fractal Analytics Limited
Level 7, Commerz II, International Business Park,
Oberoi Garden City, Off. W. E. Highway, Goregaon (E),
Mumbai- 400063, Maharashtra,

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025
Deepti Joshi
Partner
FCS: 8167
CP: 8968
UDIN: F008167H000422229

Date: May 20, 2026
Place: Mumbai

ANNEXURE E

(This annexure forms part of the Boards' Report)

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

A. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) philosophy of the Company seeks to integrate usage of our core expertise to achieve greater social impact with Fractal's CSR initiatives. Creating shared value in an identified social problem arena, that we are equipped to help resolve and from where the greatest community benefit can be gleaned. Your Company understands that CSR is necessary to integrate its business values and operations to meet the expectations of all its stakeholders at large. Stakeholders comprising our clients, employees, investors, suppliers, the local community, and the environment. Undertaking CSR initiatives and being socially responsible has a host of benefits to your Company such as strengthening its relationship with its stakeholders and using its expertise in analytics and artificial intelligence capabilities to help its CSR partners have better outcomes for their beneficiaries.

The Company's CSR policy is based on the key areas outlined below.

Our broad objectives, as stated in our CSR policy include:

- Enhancing equitable educational outcomes for disadvantaged children
- Empowering women to be financially independent and
- Improving quality & affordability of healthcare, radiological expertise, and provision of safe housing solutions.
- Taking intelligent and science-based actions to reduce Fractal's carbon footprint, improve its protection and preservation of biodiversity, and to take action to address climate change and its impacts in line with the United Nations Sustainability Development Goal (UN SDG) 13

Your Company seeks to accomplish these goals by partnering with the government, non-profit sector, public-private partnerships, and the local community. The focus areas are primarily to engage with NGOs in improving the educational outcomes of underprivileged children and the empowerment of women. The Company is also evaluating opportunities to use its analytics and artificial intelligence capabilities to reach a larger diaspora that could be benefited by its solutions. On the goals of empowering women and children, it seeks to achieve its CSR goals by funding and participating in certain initiatives allowed and listed under Schedule VII to the Companies Act, 2013 ('the Act'). These initiatives align with the following directions.

- Scholarship Programs for education
- Providing health aids and appliances to the disabled
- Providing infrastructure and other learning aids
- Participating for a cause through events
- Training and enhancing skills of underprivileged women and children
- Afforestation and bio-diversity preservation projects
- Sustainable and Social Procurement from women run businesses
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Rural development projects;

The Company aims to have a high impact approach of delivering CSR to the communities it serves and compared to earlier years hopes to continue to generate greater value and better outcomes for these communities.

B. Composition of the Corporate Social Responsibility & Environmental, Social and Governance ("CSR & ESG") Committee and details of the Committee meetings:

Our committee includes the following Board level members, who are responsible for overseeing the execution of the Company's CSR policy and for reporting to the Board, as may be required, pursuant to the applicable provisions of the Act.

Details of the composition of CSR & ESG Committee as on March 31, 2026, is as provided below:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1	Mr. Sasha Gulu Mirchandani*	Director & Chairperson	4	3
2	Ms. Neelam Dhawan**	Director and member	4	4
3	Mr. Pranay Agrawal#	Director and member	3	3
4	Mr. Srikanth Velamakanni$	Director and member	1	1
5	Mr. Vivek Mohan$	Director and member	1	1

** Mr. Sasha Gulu Mirchandani was appointed as Chairman of the Committee, pursuant to the reconstitution of the Committee approved by the Board of Directors with effect from August 1, 2025.*

*** Ms. Neelam Dhawan stepped down as Chairperson of the Committee, pursuant to the reconstitution of the Committee approved by the Board of Directors with effect from August 1, 2025.*

 # Mr. Pranay Agrawal was appointed as a member of the Committee, pursuant to the reconstitution of the Committee approved by the Board of Directors with effect from August 1, 2025.

$ Mr. Srikanth Velamakanni and Mr. Vivek Mohan ceased to be members of the Committee, pursuant to the reconstitution of the Committee approved by the Board of Directors with effect from August 1, 2025.

During the year under review, four (4) CSR & ESG Committee meetings were held during the financial year 2025-26.

C. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Particulars	Web-link
Composition of CSR Committee	https://fractal.ai/investor-relations/
CSR Policy	https://fractal.ai/docs/Policy/Fractal-CSR-Policy.pdf
CSR projects approved by the Board	https://fractal.ai/csr/

D. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – Not applicable.

E. Financial Details:

a)	Average net profit of the Company as per sub-section (5) of section 135	₹79,60,00,000
b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	₹1,66,26,471
c)	Surplus arising out of the CSR Projects or programs or activities of the previous financial years	NIL
d)	Amount required to be set-off for the financial year, if any.	NIL
e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	₹1,66,26,471

F. CSR Expenditure:

a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹1,70,00,000
b)	Amount spent in Administrative Overheads	NIL
c)	Amount spent on Impact Assessment, if applicable	NIL
d)	Total amount spent for Financial Year [(a) + (b) + (c)]	₹1,70,00,000

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
1,70,00,000	Nil			Nil	

f) Excess amount for Set-off, if any: Nil

Sr. No	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	1,66,26,471
(ii)	Total amount spent for the Financial Year	1,70,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3,73,529
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	None
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

G. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1				Nil			
2	FY-2				Nil			
3	FY-3				Nil			

H. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year- No.

I. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135- Not applicable.

"We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR & ESG Committee monitors the implementation of the CSR projects and activities in compliance with our CSR policy."

For and on behalf of Board of Directors of
Fractal Analytics Limited

Srikanth Velamakanni
Whole-time Director
DIN: 01722758
Date: July 29, 2026

Sasha Gulu Mirchandani
Non-Executive Director
DIN: 01179921
Date: July 29, 2026

Environment, Social and Governance (ESG):

Fractal continued its commitment towards Environment, Social and Governance (ESG) responsibilities including environmental stewardship at Fractal.

Fractal's Corporate Social Responsibility (CSR) philosophy centres around making a positive impact on people, the planet that we share, and the communities that Fractal is honoured to operate in.

As elaborated on previously in the Annual Report, Fractal's CSR thrust areas include:

i) enhancing equitable educational outcomes for disadvantaged children.

ii) empowering women to be financially independent.

iii) improving quality and affordability of healthcare, safe housing solutions.

iv) Taking intelligent and science-based actions to reduce Fractal's carbon footprint, improve its protection and preservation of biodiversity, and to take action to address climate change and its impacts in line with the United Nations Sustainability Development Goal (UN SDG) 13

Fractal is committed to setting and monitoring science-based Net Zero targets on a best effort basis. Fractal's efforts and commitments in this regard are also aligned to its publicly available CSR and ESG Policy. Available on the corporate website at www.fractal.ai

A few of the highlights, projects and milestones in the areas of environmental stewardship, education, women empowerment, healthcare, and safe housing solutions, climate action are listed in Section 4, ESG Focus of this Annual Report.

Corporate governance report

Corporate governance guides how a company is directed and its relationships with its stakeholders. With the right structure and systems in place, good corporate governance enables companies to create an environment of trust, transparency, and accountability, which promotes long-term capital and supports economic growth and financial stability.

1. Company's Philosophy on Corporate Governance

Fractal Analytics Limited ("Fractal" or "the Company") is committed to the highest standards of corporate governance, which it believes is fundamental to building and sustaining stakeholder trust and intrinsic to the Company's purpose of powering every human decision in the enterprise through Artificial Intelligence, Engineering and Design. The Company's governance philosophy is anchored in its vision and mission, and is given practical expression through its core values of "Client First", "Learn and Grow", "Think Big, Act Fast" and "Extend Extreme Trust and Be Accountable".

The governance philosophy rests, inter alia, on the pillars of integrity, transparency, accountability, fairness and responsible corporate citizenship – principles that find resonance in the Company's people principles of placing extreme trust in colleagues, encouraging honest and open communication, and upholding mutual respect. Fractal endeavours to conduct its business in a manner that creates and sustains long-term value for all stakeholders, including shareholders, customers, employees, business partners, regulators and the communities in which it operates.

The Company's corporate governance framework is supported by a professional and independent Board of Directors, robust internal financial controls and risk management systems, comprehensive disclosure practices, and adherence to applicable laws, regulations and the highest standards of business ethics. The Company is in compliance with the requirements of corporate governance stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("The Act") and other applicable laws, and remains committed to continually enhancing its governance practices in the firm belief that good governance is an essential enabler of sustainable enterprise value.

2. Code of Conduct for Directors and the Senior Management Personnel

The Board of Directors have laid down Code of Conduct for Directors and the Senior Management Personnel ("Code"). All members of the Board and Senior Management Personnel have affirmed compliance with the said Code for FY 2025-26 and a declaration to this effect signed by the Whole-Time Director of the Company has been annexed as **'Annexure I'** to this Report.

The Code is available on the website of the Company at https://fractal.ai/docs/Investor-Relations/Policies/Code-of-Conduct-of-Board-and-Senior-Management-Team.pdf

3. Board of Directors

a. Board Composition

The Company's Board comprises a diverse mix of expertise, professional qualifications and rich experience. It comprises nine (9) directors as on March 31, 2026, of which eight (8) are Non-Executive Directors including the Chairperson and one (1) Executive Director i.e., the Whole-Time Director. Of the eight (8) Non-Executive Directors, Three (3) are Independent Directors.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India ("SEBI")/Ministry of Corporate Affairs ("MCA") or any such statutory authority. A certificate from a practicing company secretary confirming this is annexed as **'Annexure II'** to this Report.

The composition of the Board is in conformity with the SEBI Listing Regulations, the Act and Rules framed thereunder.

In the opinion of the Board, the Independent Directors fulfill conditions specified in the SEBI Listing Regulations and are independent of the management.

For brief profile of the Directors, please refer page 14-19 of Annual Report. The same are also available on the Company's website at https://fractal.ai/investor-relations/

There are no inter se relationships among our Board members.

Name of Director(s)	Category of Directorship
Mr. Puneet Bhatia[1]	Non-Executive Non-Independent Director & Chairperson
Mr. Rohan Haldea[2]	Non-Executive Non-Independent Director & Chairperson
Mr. Srikanth Velamakanni	Promoter Executive Director
Mr. Pranay Agrawal	Promoter Non-Executive Director
Mr. Gavin Echlin Patterson	Non-Executive Non-Independent Director
Mr. Vivek Mohan	Non-Executive Non-Independent Director
Mr. Sasha Gulu Mirchandani	Non-Executive Non-Independent Director
Ms. Neelam Dhawan	Non-Executive - Independent Director
Ms. Karen Ann Terrell	Non-Executive - Independent Director
Ms. Janaki Akella	Non-Executive - Independent Director

1. *Mr. Puneet Bhatia, ceased to be a Director and Chairperson with effect from August 02, 2025*
2. *Mr. Rohan Haldea was appointed as Chairperson of the Board with effect from August 02, 2025*

Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided – **Not applicable**

b. Board Skill Matrix

The Board identified, inter-alia, the following core skills/expertise/competencies to ensure the Board's effective composition to discharge its responsibilities and duties required to govern the Company and also be compliant with the applicable regulations.

This table provides a glimpse of the skills and expertise of our Board Members.

Finance and Accounts	Leadership of a financial institution or oversight of an enterprise's finance function, reflecting proficiency in financial management, capital allocation, financial reporting and disclosure processes, and experience in supervising or performing the role of a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person in a similar capacity.
Corporate Governance	Experience serving on the board of a public company, providing insight into board and management accountability, protection of shareholder interests, and adherence to sound corporate governance practices and standards.
Global business	Experience driving business outcomes across international markets, with an understanding of diverse economic conditions, business environments, cultures, and regulatory frameworks, supported by a broad perspective on global market opportunities.
Information Technology	Substantial background in technology, including the ability to anticipate technology trends, drive disruptive innovation, and enable the creation or extension of business models through digital and technological capability.
Sales & Marketing	Experience in formulating and executing strategies to grow sales and market share, build brand awareness and equity, and strengthen enterprise reputation in the marketplace.
ESG, Sustainability & CSR	Experience in leading an organization's sustainability and ESG vision, with the ability to integrate environmental, social, and governance considerations into the Company's overall strategy.
Risk management & Internal Controls	Experience in identifying and evaluating significant risk exposures relevant to the Company's business strategy, and in assessing management's actions to mitigate strategic, legal, compliance, and operational risks.
Portfolio Management	Experience in managing a portfolio of businesses, investments, or assets, including evaluating capital allocation, prioritisation, and value-creation decisions across a diversified set of interests.
Leadership	Experience leading organizations or teams at a senior level, demonstrating the ability to set vision and strategy, build and motivate teams, and drive organizational performance and culture.
Cybersecurity	Knowledge of cybersecurity risks and practices, including the ability to oversee the Company's approach to data protection, IT risk management, and resilience against cyber threats.
AI, GenAI & Emerging Technologies	Experience in understanding and overseeing the strategic implications of artificial intelligence, generative AI, and other emerging technologies, including their impact on business models, competitive positioning, and risk, and the ability to guide the organization in responsibly adopting and governing these technologies.

The details of core expertise / competency of each director are provided on Page 14-19 of Annual Report.

c. Directorship and membership on the Board/Board committees of other public companies:

In addition to their roles on our Board, the Directors bring valuable experience and expertise from their positions on other Boards and Committees.

An overview of the other directorships held by the members of the Board is given below:

Name of the Director	No. of other Directorships and Committee Memberships/ Chairpersonships as of March 31, 2026			Other Indian Equity Listed entities in which they hold Directorship	Category of Directorship
	Other Directorships[1]	Committee Memberships[2&3]	Committee Chairpersonships[2]		
Mr. Rohan Haldea	0	0	0	Nil	Not Applicable
Mr. Srikanth Velamakanni	2	0	0	NIIT Limited	Non-Executive and Independent
				IdeaForge Technology Limited	Non-Executive and Independent
Mr. Pranay Agrawal	0	0	0	Nil	Not Applicable

Name of the Director	No. of other Directorships and Committee Memberships/ Chairpersonships as of March 31, 2026			Other Indian Equity Listed entities in which they hold Directorship	Category of Directorship
	Other Directorships[1]	Committee Memberships[2&3]	Committee Chairpersonships[2]		
Mr. Sasha Gulu Mirchandani	2	2	0	MIRC Electronics Limited	Non-Executive and Non Independent
				Nazara Technologies Limited	Non-Executive and Independent
Mr. Gavin Echlin Patterson	0	0	0	Nil	Not Applicable
Mr. Vivek Mohan	0	0	0	Nil	Not Applicable
Ms. Neelam Dhawan	5	5	2	Capillary Technologies India Limited	Non-Executive and Independent Chairperson
				Hindustan Unilever Limited	Non-Executive and Independent
				Tech Mahindra Limited	Non-Executive and Independent
				Ather Energy Limited	Non-Executive and Independent Chairperson
				Delhivery Limited	Non-Executive and Independent Chairperson
Ms. Karen Ann Terrell	0	0	0	Nil	Not Applicable
Ms. Janaki Akella	0	0	0	Nil	Not Applicable

Notes:

1. *Does not include Directorships in Private Limited, Foreign and Section 8 Companies. Also excludes directorship in the Company.*
2. *Includes only Memberships and Chairpersonships of Audit and Stakeholders' Relationship Committees. Also excludes membership in Committees of the Company.*
3. *Also includes Chairpersonships.*

d. Meetings and attendance

16 Board meetings were held during the financial year ended March 31, 2026.

A summary of the attendance of the Board members is given below:

Name of the Director	May 20, 2025	June 16, 2025	July 22, 2025	August 01, 2025	August 08, 2025	August 11, 2025	September 04, 2025	November 07, 2025	November 21, 2025	January 23, 2026	February 02, 2026	February 03, 2026	February 06, 2026	February 11, 2026	March 05, 2026	March 20, 2026	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rohan Haldea	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	16	15
Mr. Srikanth Velamakanni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	16	15
Mr. Pranay Agrawal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	16	14
Mr. Sasha Gulu Mirchandani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	16	12
Mr. Gavin Echlin Patterson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	16	16
Mr. Vivek Mohan[1]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	16	15
Ms. Neelam Dhawan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	16	16
Ms. Karen Ann Terrell	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	16	15
Ms. Janaki Akella	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	16	16
Mr. Puneet Bhatia[2]	Yes	No	Yes	Yes	-	-	-	-	-	-	-	-	-	-	-	-	4	3

1. Chairperson of the Board Meeting held on June 16, 2025 in absence of Board Chairperson

2. Ceased to be a Director with effect from August 02, 2025

During the year, one meeting of the Independent Director was held on March 18, 2026, with all Independent Directors in attendance.

The 25th Annual General Meeting ("AGM") was held on July, 15 2025 and was attended by Mr. Srikanth Velamakanni, Whole-Time Director and Ms. Neelam Dhawan, Independent Director of the Company.

e. Familiarisation Programme

The Policy on Familiarisation Programme for Independent Directors is available on website of the Company at: https://fractal.ai/docs/Investor-Relations/Policies/Fractal-Policy-for-Familiarisation-Programme-for-IDs.pdf

f. Shareholding of Non-Executive Directors as on March 31, 2026

Name of Director	No. of Equity Shares
Rohan Haldea	Nil
Pranay Agrawal	81,21,360[1]
Sasha Gulu Mirchandani	Nil
Gavin Echlin Patterson	3,05,995
Vivek Mohan	Nil
Neelam Dhawan	6,755
Karen Ann Terrell	Nil
Janaki Akella	7,705

1. Pranay is currently the registered owner of 33,32,940 Equity Shares, with the beneficial owner being the Agrawal Family Trust. Pranay will transfer registered ownership of these Equity Shares to the Agrawal Family Trust, upon the said trust having opened a demat account in its name.

4. Board Committees

A. Audit Committee

The composition of the Audit Committee and the terms of reference comply with the requirements under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

Terms of reference:

The terms of reference for the Audit Committee broadly includes:

1. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to our Board the appointment, re-appointment, replacement, remuneration and terms of appointment of the Statutory Auditors of our Company;
3. Reviewing and monitoring the Statutory Auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to the Statutory Auditors for any other services rendered by the Statutory Auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
    i. Matters required to be included in the director's responsibility statement to be included in our Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions; and
    vii. Qualifications and modified opinions in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements including consolidated financial statements, if any, before submission to our Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to our Board to take up steps in this matter;
8. Approval and review or any subsequent modifications of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;
9. Approval of related party transaction to which our Subsidiary is a party (the company may or may not be a party);

    Explanation:

    The term "related party transactions" shall have the same meaning as provided in Clause 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of our Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Our Company shall formulate a vigil mechanism for directors and employees to report their genuine concerns or grievances and the vigil mechanism shall provide access to the chairperson of the Audit Committee to directly hear the grievances

of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussing with internal auditors on any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
18. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
20. Reviewing the functioning of the whistle blower mechanism;
21. Approving the appointment of the chief financial officer heading after assessing the qualifications, experience and background, etc. of the candidate;
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
23. Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc, on our Company and its Shareholders; and
24. Such roles as may be delegated by our Board and/or prescribed under the Act and SEBI Listing Regulations or other applicable law.

The powers of the Audit Committee will include the following:

a. To investigate any activity within its terms of reference;
b. To seek information from any employee;
c. To obtain outside legal or other professional advice; and
d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a. management's discussion and analysis of financial condition and result of operations;
b. management letters/letters of internal control weaknesses issued by the statutory auditors;
c. internal audit reports relating to internal control weaknesses;
d. the appointment, removal and terms of remuneration of the chief internal auditor; and
e. statement of deviations, including:
    i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
    ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
f. review the financial statements, in particular, the investments made by any unlisted subsidiary; and
g. Any other such information apart from the information mentioned above, as may be prescribed under the Act and SEBI Listing Regulations.

Meetings and Composition:

10 meetings of the Audit Committee were held during the financial year ended March 31, 2026 i.e. on May 19, 2025, August 01, 2025, August 08, 2025, August 11, 2025, September 03, 2025, November 06, 2025, January 23, 2026, February 02, 2026, March 05, 2026 and March 20, 2026.

The composition of the Audit Committee and a summary of the attendance at meetings are given below:

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Neelam Dhawan[1]	Independent Director	Chairperson	10	10
2.	Ms. Karen Ann Terrell	Independent Director	Member	10	9
3.	Mr. Gavin Echlin Patterson[1]	Non-Executive Director	Member	10	10
4.	Ms. Janaki Akella[2]	Independent Director	Member	8	8

Ms. Somya Agarwal, Company Secretary and Compliance Officer of the Company is the Secretary of the Audit Committee. The Committee invites the Whole-time Director, Chief Financial Officer, Senior Management Personnel, and other executives of the Company, as deemed appropriate, along with representatives of the Statutory Auditors and Internal Auditors, to attend its meetings.

1. *Pursuant to the reconstitution of the Committee with effect from August 1, 2025:*
   - *Mr. Gavin Echlin Patterson, who served as Chairperson until August 1, 2025, took on the role of Member.*
   - *Ms. Neelam Dhawan, who served as a Member until August 1, 2025, took on the role of Chairperson.*
2. *Inducted as a member of the Audit Committee with effect from August 1, 2025, and ceased to be a member effective close of business hours on April 27, 2026.*

B. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee ("NRC") and the terms of reference comply with the requirements under Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

Terms of reference:

The terms of reference for the NRC broadly includes:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board, a policy relating to the remuneration of our Directors, Key Managerial Personnel, Senior Management and other employees; While formulating the policy, following to be ensured:
   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
2. For the appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on our Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to our board of directors of our Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
   a) use the services of external agencies, if required,
   b) consider candidates from a wide range of backgrounds, having due regard to diversity, and
   c) consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of the performance of Independent Directors and our Board;
4. Devising a policy on diversity of our Board;
5. Identifying persons, who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to our Board their appointment and removal and carrying out evaluation of every director's performance;
6. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
7. Recommending to our Board, all remuneration, in whatever form, payable to senior management;
8. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB&SE Regulations"), as amended from time to time, including the following:

a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time;

b) determining the eligibility of employees to participate under the employee stock option schemes;

c) granting options to eligible employees and determining the date of grant;

d) determining the number of options to be granted to an employee;

e) determining the exercise price under the employee stock option schemes and

f) construing and interpreting the employee stock option schemes and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option schemes, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option schemes.; and

9. Performing such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations, the Act, each as amended from time to time or other applicable law.

Meetings and Composition:

5 meetings of the NRC were held during the financial year ended March 31, 2026 i.e. on May 19, 2025, August 01, 2025, September 03, 2025, November 06, 2025 and March 20, 2026.

The composition of the NRC and a summary of the attendance at meetings are given below:

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Karen Ann Terrell	Independent Director	Chairperson	5	5
2.	Mr. Vivek Mohan	Non-Executive Director	Member	5	5
3.	Ms. Janaki Akella[1]	Independent Director	Member	3	3
4.	Ms. Neelam Dhawan[2]	Independent Director	Member	2	2
5.	Mr. Rohan Haldea[2]	Non-Executive Director	Member	2	1

Ms. Somya Agarwal, Company Secretary and Compliance Officer of the Company is the Secretary of the NRC.

1. Inducted as member of NRC with effect from August 01, 2025

2. Ceased as member of NRC with effect from August 01, 2025

Performance evaluation criteria for Independent Directors

The Board on the recommendations of the NRC approved the Criteria for Evaluation of Performance of the Board of Directors ("Board Evaluation Policy") which were broadly based on the Guidance Note on Board Evaluation issued by the SEBI vide its Master Circular dated January 30, 2026.

Evaluation criteria for Independent Directors were based on key parameters including knowledge and understanding of the business, professional competence, effective discharge of duties, active participation and attendance at Board meetings, initiative, integrity, contribution to Board deliberations, independence, and the ability to exercise objective judgment and express independent views.

The Board's Report, which forms part of Annual Report, presents a comprehensive overview of the performance evaluation of Board of Directors conducted for the financial year ended March 31, 2026.

C. Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee ("SRC") and the terms of reference comply with the requirements under Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Terms of reference:

The terms of reference for the SRC broadly includes:

1. Resolve the grievances of security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights by Shareholders;

3. Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by our Shareholders of our Company;
5. Resolve the grievances of debenture holders (if any) related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants (if and when debentures are issued) and
6. Performing such other functions as may be delegated by our Board and such terms of reference as may be prescribed under the Act and SEBI Listing Regulations or other applicable law.

Meeting and Composition:

1 meeting of SRC was held during the financial year ended March 31, 2026 i.e. on March 19, 2026.

The composition of the SRC and a summary of the attendance at meeting are given below:

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meeting entitled to attend	Number of Meeting attended
1.	Ms. Janaki Akella	Independent Director	Chairperson	1	1
2.	Mr. Srikanth Velamakanni	Whole-Time Director	Member	1	1
3.	Mr. Sasha Gulu Mirchandani	Non-Executive Director	Member	1	0

Ms. Somya Agarwal, Company Secretary and Compliance Officer of the Company is the Secretary of the SRC.

Investor Complaints*:

Particulars	No. of Complaints
Pending at the beginning of the year i.e., April 1, 2025	0
Received during the year	10
Resolved during the year	10
Not solved to the satisfaction of shareholders	0
Pending at the end of the year i.e., March 31, 2026	0

** It may be noted that the equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on February 16, 2026.*

D. Corporate Social Responsibility & Environmental, Social, and Governance Committee

The composition of the Corporate Social Responsibility & Environmental, Social, and Governance Committee ("CSR & ESG Committee") and the terms of reference comply with the requirements under Section 135 of the Act.

Terms of reference:

The terms of reference for the CSR & ESG Committee broadly includes:

1. To formulate and recommend to the Board, a CSR policy or any changes or modifications, if any, which shall indicate the activities to be undertaken as prescribed under Schedule VII of the Act;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time and report to the Board in relation to CSR activities, as may be required, pursuant to the applicable provisions of the Act or the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force);
4. Develop, with executive management, strategy of the Company towards ESG and provide directions to measure and monitor progress;
5. Review the Company's goals and its performance with respect to ESG matters and monitor the Company's progress towards the goals;
6. Periodic review and approval of Company's key ESG Policies and SOPs, if any;
7. Review of the Company's stakeholder engagement plan around material ESG issues identified by the management;
8. Receive periodic updates from management on ESG trends and key initiatives;

9. Report to the Board on current and emerging topics relating to ESG Matters;
10. Review and evaluate ESG risks and opportunities that may arise in connection with the Company's activities and advise the Board on such risks and opportunities that may materially affect the Company's Enterprise Risk Management (ERM) Program;
11. Review and discuss with the management, the Company's internal and external communication strategies and approach with employees, investors, and other stakeholders regarding the Company's position or approach to ESG matters;
12. Periodically review and monitor external ESG ratings of the Company, if any;
13. Review ESG Governance framework over Supply Chain/ third parties and audit schedule for the Company's specific ESG compliances over third parties;
14. Review of ESG related feedback from key Suppliers and Customers; and
15. Any other matter as the CSR & ESG Committee may deem appropriate after approval of the board of directors or as may be directed by the board of directors from time to time.

Meetings and Composition:

4 meetings of CSR & ESG Committee were held during the financial year ended March 31, 2026 i.e. on May 19, 2025, September 03, 2025, November 06, 2025 and March 19, 2026.

The composition of the CSR & ESG Committee and a summary of the attendance at meetings are given below:

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Sasha Gulu Mirchandani[1]	Non-Executive Director	Chairperson	4	3
2.	Ms. Neelam Dhawan[1&2]	Independent Director	Member	4	4
3.	Mr. Pranay Agrawal[3]	Non-Executive Director	Member	3	3
4.	Mr. Srikanth Velamakanni[4]	Whole-Time Director	Member	1	1
5.	Mr. Vivek Mohan[4]	Non-Executive Director	Member	1	1

Ms. Somya Agarwal, Company Secretary and Compliance Officer of the Company is the Secretary of the Corporate Social Responsibility & Environmental, Social, and Governance Committee.

1. *Pursuant to the reconstitution of the Committee with effect from August 1, 2025:*
    - *Ms. Neelam Dhawan, who served as Chairperson until August 1, 2025, took on the role of Member.*
    - *Mr. Sasha Gulu Mirchandani, who served as a Member until August 1, 2025, took on the role of Chairperson.*
2. *Chairperson of the Committee held on March 19, 2026 in absence of Committee Chairperson*
3. *Inducted as member of CSR & ESG Committee with effect from August 01, 2025*
4. *Ceased as member of CSR & ESG Committee with effect from August 01, 2025*

E. Risk Management Committee

The composition of the Risk Management Committee ("RMC") and the terms of reference comply with the requirements under Regulation 21 of the SEBI Listing Regulations.

Terms of reference:

The terms of reference for the RMC broadly includes:

1. Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;
2. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;
3. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;

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4. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keeping our Board informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Review the appointment, removal and terms of remuneration of the chief risk officer (if any);
7. Coordinating its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors; and
8. Such other terms of reference and activities as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations or other applicable law.

Meetings and Composition:

2 meetings of RMC were held during the financial year ended March 31, 2026 i.e. on November 06, 2025 and March 19, 2026.

The composition of the RMC and a summary of the attendance at the meetings are given below

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Gavin Echlin Patterson	Non-Executive Director	Chairperson	2	2
2.	Ms. Janaki Akella	Independent Director	Member	2	2
3.	Mr. Vivek Mohan	Non-Executive Director	Member	2	1
4.	Mr. Srikanth Velamakanni	Whole-Time Director	Member	2	2
5.	Mr. Ashwath Bhat[1]	Chief Financial Officer	Member	2	2

Ms. Somya Agarwal, Company Secretary and Compliance Officer of the Company is the Secretary of the RMC.

1. Ceased as member of RMC with effect from close of business hours of July 24, 2026.

F. IPO Committee

The Board at its meeting held on August 01, 2025 constituted the IPO Committee comprising Mr. Rohan Haldea, Mr. Vivek Mohan and Mr. Srikanth Velamakanni for the purposes of the initial public offer of the equity shares of the Company on recognised stock exchanges in India.

Terms of reference:

The terms of reference for the IPO Committee broadly includes:

1. To make applications to, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Government of India, Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") and the stock exchanges where the Equity Shares are proposed to be listed ("Stock Exchanges") or any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required;
2. To finalise, settle, approve, adopt and file the draft red herring prospectus with SEBI, the red herring prospectus and prospectus with SEBI, Registrar of Companies, Maharashtra at Mumbai ("ROC") and other regulatory authorities and the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Offer as finalised by the Company, and take all such actions in consultation with the book running lead managers to the Offer (the "BRLMs") as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RBI, the ROC, the Stock Exchanges or any other relevant governmental and statutory authorities or under applicable laws;
3. To decide in consultation with the BRLMs on the timing, pricing and any amendments thereto all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto;
4. To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, public offer account bankers

to the Offer, sponsor bank(s), registrar, legal advisors, advertising agency, and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment;

5. To take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Selling Shareholder(s) for offering their Equity Shares including the quantum in terms of number of Equity Shares/amount offered by the Selling Shareholder(s) in the Offer for Sale, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

6. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the BRLMs' mandate or fee/ engagement letter, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements, addenda and corrigenda thereto, as may be required or desirable in relation to the Offer, with the power to authorise one or more officers of the Company to negotiate, execute and deliver any or all of the these documents;

7. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI and operate bank accounts opened in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

8. To seek, if required, the consent of the lenders to the Company and/or lenders to the subsidiary or step down subsidiary (if applicable), industry data provider, parties with whom the Company has entered into various commercial and other agreements, and any other consents and/or waivers that may be required in relation to the Offer;

9. To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the uniform listing agreement to be entered into by the Company with the Stock Exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, (given the proposed listing of the Company);

10. To authorise and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;

11. To determine and finalise, in consultation with the BRLMs, the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investors offer price), total number of Equity Shares to be reserved for allocation to eligible investors, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Offer including any alteration, addition or making any variation in relation to the Offer;

12. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

13. To authorise, approve and issue notices, advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013, as amended and other applicable laws;

14. To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the Equity Shares to the successful allottees as permissible in law;

15. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;

16. To withdraw the draft red herring prospectus, red herring prospectus and the Offer at any stage, if deemed necessary, in accordance with applicable laws and in consultation with the BRLMs;

17. To submit undertaking/certificates or provide clarifications to the SEBI, ROC and the Stock Exchanges;

18. To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including draft red herring prospectus, red herring prospectus and prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder(s) (as maybe applicable), as the case may be, in relation to the Offer;
19. To make in-principle and final applications for listing of the Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the concerned Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
20. To authorize any director or directors of the Company or other officer or officers of the Company (each, an "Authorized Officer"), including by the grant of power of attorney, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar's agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the advertising agency agreement, the syndicate agreement, the share escrow agreement, cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do and cause to be done any and all such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
21. To determine the utilization of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the applicable laws;
22. If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
23. To decide all matters regarding the pre-IPO placement, if any, including the execution of the relevant documents with the investors, in consultation with the Selling Shareholders and the BRLMs; and
24. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit.

Meetings and Composition:

3 meetings of IPO Committee were held during the financial year ended March 31, 2026 i.e. on August 08, 2025, August 12, 2025 and February 12, 2026.

The composition of the IPO Committee and a summary of the attendance at the meetings are given below

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Rohan Haldea	Non-Executive Director	Chairperson	3	3
2.	Mr. Vivek Mohan	Non-Executive Director	Member	3	3
3.	Mr. Srikanth Velamakanni	Whole-Time Director	Member	3	2

Ms. Somya Agarwal, Company Secretary and Compliance Officer of the Company is the Secretary of the IPO Committee.

Dissolution of Committee:

The Board, at its meeting held on July 29, 2026, dissolved the IPO Committee.

G. Committee of Independent Directors

The Board at its meeting held on January 23, 2025 constituted the Committee of Independent Directors ("COID") comprising Ms. Neelam Dhawan, Ms. Karen Ann Terrell and Ms. Janaki Akella for the purposes of the initial public offer of the equity shares of the Company on recognised stock exchanges in India.

Terms of reference:

The terms of reference for the COID broadly includes:

1. To issue a recommendation for inclusion in the pre-Offer and price band advertisement to be issued by the Company in relation to its proposed initial public offering of equity shares, stating that the price band is justified based on quantitative factors/ key performance indicators disclosed in "Basis for Offer Price" section of the Offer Documents, vis-à-vis the weighted average cost of acquisition of primary issuance/ secondary transaction(s) disclosed in the "Basis for Offer Price" section of the Offer Documents; and

   To perform such other duties and functions as may be specifically required to be performed by a committee of independent directors of the Company under applicable law, including the Companies Act, 2013 and the regulations, circulars, directives and notifications of the Securities and Exchange Board of India.

Meeting and Composition:

1 meeting of COID was held during the financial year ended March 31, 2026 i.e. on February 03, 2026.

The composition of the COID and a summary of the attendance at the meetings are given below

Sr.No	Name of the Member	Designation	Position on the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Neelam Dhawan	Independent Director	Chairperson	1	1
2.	Ms. Janaki Akella	Independent Director	Member	1	1
3.	Ms. Karen Ann Terrell	Independent Director	Member	1	1

Dissolution of Committee:

The Board, at its meeting held on July 29, 2026, dissolved the COID.

H. Options Allotment Committee

The Board via Circular Resolution No. 14/2024-25/BM constituted the Options Allotment Committee ("OAC") to delegate the authority for allotment of shares against vested employee stock options exercised by the Employees as per the vesting schedule for administrative convenience.

Terms of reference:

The terms of reference for the OAC broadly includes:

1. To process and approve the 'ESOP Exercise Application Form', and underlying documents, as may be received from the eligible employees for exercising the vested option(s) from time to time.
2. To allot such number of equity shares of Re. 1 each of the Company against Vested Option(s), as may be exercised by the eligible employee(s), if permissible under the applicable Companies Act.
3. To settle any question, difficulty or doubts of the ESOP Option Holders or Shareholders that may arise regarding allotment of shares.
4. To redress shareholder's complaints for non-receipt of share certificates and issuance of duplicate share certificates.
5. To do such other acts, deeds and things on behalf of the board, as may be necessary and expedient, including in order to ensure compliance with applicable law, and as may be required for the purposes of performing duties in line with the scope or terms of reference of the committee.
6. Minutes of each Committee meeting should be distributed to all Committee members and should be tabled at the meeting of the board of directors.
7. The Chairman of the Committee should report to the board on any matter that should be brought to the board's attention and provide recommendations of the Committee that requires the board's approval at the board meeting.

Composition:

Sr.No	Name of the Member	Designation	Position on the Committee
1.	Mr. Srikanth Velamakanni	Whole-Time Director	Chairperson
2.	Mr. Pranay Agrawal	Non-Executive Director	Member

No meeting of OAC was conducted in FY 2025-26.

5. Recommendations of the Committees of the Board

During the year under review, the Board accepted all the recommendations made by the Board Committees.

6. Particulars of Senior Management (as on March 31, 2026) including the changes therein since the close of the previous Financial Year are as follows:

Sr. No	Name	Designation	Changes if any, during the year
1.	Pranay Agrawal	Chief Executive Officer, Fractal Analytics Inc.	-
2.	Ashwath Bhat[1&2]	Chief Financial Officer & Group Chief Financial Officer	-
3.	Somya Agarwal	Company Secretary and Compliance Officer	-
4.	Ajoy Singh	Chief AI Officer	-
5.	Manish Tiwari	Chief Information Officer	-
6.	Raja Rajeswari Aradhyula[3]	Chief Design Officer	-
7.	Rasesh Dhirendra Shah	Chief Practice Officer - Edtech & FAA	-
8.	Rohini Aditya Singh	Chief People Officer	-
9.	Biju Joseph Dominic	Chief Evangelist Officer	-
10.	Shubhendra Rameshchandra Kanade	Head - Marketing	-
11.	Natwar Mall[4]	Chief Transformation Officer and Chief Practice Officer - BFSI	-
12.	Sandeep Dutta	Chief Practice Officer – APAC & Middle East	-
13.	Chetana Kumar	Chief Sustainability Officer	-
14.	Shailendra Pratap Singh[5]	Chief Growth Officer, Fractal Analytics Inc.	-
15.	Dylan Neal Dias	Chief Alliances Officer, Fractal Analytics Inc.	-
16.	Satish Avadhanam Raman	Chief Strategy Officer, Fractal Analytics Inc.	-
17.	Matthew Jason Gennone[6]	Chief Practice Officer – HLS, Fractal Analytics Inc.	-
18.	Sankaranarayanan Balasubramanian	Chief Practice Officer – TMT, Fractal Analytics Inc.	-
19.	Mrunali Nikunj Majmudar	Chief Practice Officer – CPGR, Fractal Analytics Inc.	Ceased as member of Senior Management with effect from close of business hours of March 27, 2026.
20.	Shashidhar Ramakrishnaiah	Chief Technology Officer	Identified as Senior Management with effect from March 27, 2026.

1. Chief Financial Officer (CFO) of the Company and employee of Fractal Analytics Inc.

2. Ceased to be CFO with effect from close of business hours of July 24, 2026.

3. Ceased as member of Senior Management with effect from the close of business hours of April 30, 2026.

4. Redesignated as Chief Transformation Officer with effect from June 03, 2026.

5. Ceased as member of Senior Management with effect from the close of business hours of May 1, 2026.

6. Redesignated as Chief Commercial Officer & CEO - Cogentiq, with effect from April 30, 2026.

Appointment in Senior Management, post March 31, 2026

Sr. No	Name	Designation	Effective date of appointment
1.	Kunal Jain	Head AI Workforce Transformation	April 30, 2026
2.	Suraj Amonkar	Chief AI Research Officer	April 30, 2026
3.	Leandro DalleMule	Chief Practice Officer – Financial Services and Insurance (FSI)	June 03, 2026

7. Remuneration of Directors

A. Nomination and Remuneration Policy

The Nomination and Remuneration Policy is recommended by the Nomination and Remuneration Committee and approved by the Board.

The objective of the policy is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.

This policy includes the criteria for remuneration to Non-Executive Directors.

The Nomination and Remuneration Policy is available on website of the Company at: https://fractal.ai/docs/Investor-Relations/Policies/Nomination-and-Renumeration-Policy.pdf

B. Non-Executive Directors

The remuneration paid to Non-Executive Directors consists of sitting fees in accordance with the policies of the Company, and remuneration by way of profit based commission or any other payment in case of inadequacy of profits as may be recommended by the Board and reimbursement of expenses for attending the meetings of the Board and the committees of the Board. No stock options are granted to Non-Executive Directors and Independent Directors during the financial year.

Except for Ms. Neelam Dhawan, Ms. Karen Ann Terrell and Ms. Janaki Akella who received a remuneration INR 9.85 million, INR 9.83 million, INR 8.83 million, respectively, for FY 2025-26 from the Company, no remuneration was paid to the Non-Executive Directors of the Company for FY 2025-26.

Pecuniary relationships or transactions vis à-vis the Company

Except as disclosed above, there were no other pecuniary relationships or transactions of Non-Executive Director vis à-vis the Company.

C. Executive Directors

The Shareholders of the Company, based on the recommendation of the Board of Directors, have approved the remuneration payable to Mr. Srikanth Velamakanni, Whole-Time Director and Group Chief Executive and Executive Vice-Chairperson of the Company.

Mr. Srikanth Velamakanni, Whole-Time Director and Group Chief Executive and Executive Vice-Chairperson is in full-time employment of the Company pursuant to his employment agreement dated July 04, 2024, and his term of appointment and remuneration has been approved for a period of 5 (five) years from June 30, 2024 to June 29, 2029. Either party can terminate his employment by giving notice of 90 (ninety) days.

In case of termination of services by the Company without cause or termination by Srikanth Velamakanni with good reason (as defined under his employment agreement), Srikanth Velamakanni will also be entitled to receive a severance pay equivalent to 12 months of his base salary (in accordance with the terms set forth under his employment agreement).

Mr. Srikanth Velamakanni received a remuneration of INR 96.81 million for FY 2025-26 from our Company.

D. Remuneration to Directors

The details of remuneration paid to the Directors of the Company for the year ended March 31, 2026 are as follows:

(INR in Million)

Name of Directors	Salary	Variable Pay	Bonus	Perquisites/ Benefits	Sitting fees	Commission	Total
Rohan Haldea	-	-	-	-	-	-	-
Srikanth Velamakanni[1]	62.01	31.16	-	3.64	-	-	96.81
Pranay Agrawal	-	-	-	-	-	-	-
Sasha Gulu Mirchandani	-	-	-	-	-	-	-
Gavin Echlin Patterson	-	-	-	-	-	-	-
Vivek Mohan	-	-	-	-	-	-	-
Neelam Dhawan	-	-	-	-	-	9.85	9.85
Karen Ann Terrell	-	-	-	-	-	9.83	9.83
Janaki Akella	-	-	-	-	-	8.83	8.83

1. No Stock Options were granted to Mr. Srikanth Velamakanni and Non-Executive Non-Independent Directors of the Company in FY 2025-26.

8. Material Subsidiaries

In accordance with Regulation 16(1)(c) of the SEBI Listing Regulations, your Company has formulated Policy for Determining Material Subsidiaries which is available on the website of the Company at https://fractal.ai/docs/Investor-Relations/Policies/Policy-for-Determining-Material-Subsidiaries.pdf

The information on the Material Subsidiary of the Company is as follows:

Name of the Material Unlisted Subsidiary Company	Date of Incorporation	Place of Incorporation	Name and Date of Appointment /Re-appointment of the Statutory Auditors	Company's Independent Director on the Board of Material Unlisted Subsidiary[1]
Fractal Analytics Inc.	October 2, 2003	USA	Not Applicable[2]	Ms. Janaki Akella

1. Ms. Janaki Akella, Independent Director of the Company has been appointed on the Board of Fractal Analytics Inc. with effect from August 08, 2025, pursuant to the obligation under Regulation 24 of SEBI Listing Regulations.

2. Appointment of Statutory Auditors is not applicable pursuant to the local laws.

9. Related Party Transactions

During the FY 2025-26, the Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in notes to the standalone financial statements.

The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as approved by the Board is available on the website of the Company at: https://fractal.ai/docs/Investor-Relations/Policies/Policy-on-Materiality-of-RPT-and-dealing-with-RPT.pdf

10. Prevention of Insider Trading

The Company has a Code on Prohibition of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 to regulate, monitor and report trading by the Designated Person(s)/and other connected person(s). The structured digital database of unpublished price sensitive information is maintained with adequate internal controls.

The Company's Code of Practices and Procedures for Fair Disclosure of UPSI is available on the website of the Company at https://fractal.ai/docs/Investor-Relations/Policies/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf

11. General Body Meetings

A. Location and time of the last three Annual General Meetings and the special resolutions passed, if any:

For Financial Year	Date and Time (IST)	Location	Details of Special Resolution Passed
2024-25	July 15, 2025 at 11:00 a.m.	Held at the registered office of the company situated at Level 7, Commerz II, International Business Park, Oberoi Garden City, Off W. E. Highway, Goregaon (E), Mumbai 400 063, Maharashtra, India	Nil
2023-24	August 30, 2024 at 11:00 a.m.	Held at the registered office of the company situated at Level 7, Commerz II, International Business Park, Oberoi Garden City, Off W. E. Highway, Goregaon (E), Mumbai 400 063, Maharashtra, India	1. Re-Appointment of Mr. Srikanth Velamakanni (DIN: 01722758) as a Whole-Time Director of the Company and renewal of terms of his appointment and remuneration. 2. Alteration to the Articles of Association of the Company. 3. Consideration and approval of the payment of remuneration to Ms. Janaki Akella, Non - Executive Independent Director of the Company.
2022-23	August 31, 2023 at 11:00 a.m.	Held at the registered office of the company situated at Level 7, Commerz II, International Business Park, Oberoi Garden City, Off W. E. Highway, Goregaon (E), Mumbai 400 063, Maharashtra, India	1. Consideration and approval of the payment of remuneration to Non-Executive Independent Directors of the Company.

B. Resolution Passed Through Postal Ballot:

During the financial year ended March 31, 2026, no resolution was passed through Postal Ballot.

From the end of the financial year 2025-26 till the date of this report, 9 Special Resolutions were passed through Postal Ballot, a summary of which is given below.

Sr.No	Particulars of Special Resolutions passed through Postal Ballot	Date of Approval	Scrutiniser
1	Ratification of 2019 Fractal Employees Stock Option Plan ("Fractal ESOP 2019 Plan" or "Plan" or "Scheme")	May 28, 2026	Ms. Manisha Maheshwari, Partner, M/s. Bhandari & Associates, Company Secretaries
2	Ratification of the Extension of benefits under 2019 Fractal Employees Stock Option Plan ("Fractal ESOP 2019 Plan" or "Plan" or "Scheme") to the employees of Subsidiary Companies	May 28, 2026	
3	Ratification of 2007 Fractal Employees Stock Option Plan ("Fractal ESOP" or "ESOP – 2007 Plan" or "Plan" or "Scheme")	May 28, 2026	
4	Ratification of the Extension of benefits under 2007 Fractal Employees Stock Option Plan ("Fractal ESOP" or "ESOP – 2007 Plan" or "Plan" or "Scheme") to the employees of Subsidiary Companies	May 28, 2026	
5	Ratification and Amendment of the Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019 ("Time Based MIP 2019" or "Plan" or "Scheme")	May 28, 2026	
6	Ratification of the Extension of benefits under the Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019 ("Time Based MIP 2019" or "Plan" or "Scheme") to the employees of Subsidiary Companies	May 28, 2026	
7	Ratification and Amendment of the Fractal Analytics Limited Performance Based Key Employee Stock Incentive Plan 2019 ("Performance Based MIP 2019" or "Plan" or "Scheme")	May 28, 2026	
8	Ratification of the Extension of benefits under the Fractal Analytics Limited Performance Based Key Employee Stock Incentive Plan 2019 ("Performance Based MIP 2019" or "Plan" or "Scheme") to the employees of Subsidiary Companies	May 28, 2026	
9	Amendment to the Articles of Association of the Company for granting Board Nomination Rights/Special Rights to certain shareholders of the Company	May 28, 2026	

Details of voting pattern

Sr.No	Particulars	% of votes in favour	% of votes against
1.	Ratification of 2019 Fractal Employees Stock Option Plan ("Fractal ESOP 2019 Plan" or "Plan" or "Scheme")	92.48%	7.52%
2.	Ratification of the Extension of benefits under 2019 Fractal Employees Stock Option Plan ("Fractal ESOP 2019 Plan" or "Plan" or "Scheme") to the employees of Subsidiary Companies	92.48%	7.52%
3.	Ratification of 2007 Fractal Employees Stock Option Plan ("Fractal ESOP" or "ESOP – 2007 Plan" or "Plan" or "Scheme")	99.01%	0.99%
4.	Ratification of the Extension of benefits under 2007 Fractal Employees Stock Option Plan ("Fractal ESOP" or "ESOP – 2007 Plan" or "Plan" or "Scheme") to the employees of Subsidiary Companies	99.01%	0.99%
5.	Ratification and Amendment of the Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019 ("Time Based MIP 2019" or "Plan" or "Scheme")	99.01%	0.99%
6.	Ratification of the Extension of benefits under the Fractal Analytics Limited Time Based Key Employee Stock Incentive Plan 2019 ("Time Based MIP 2019" or "Plan" or "Scheme") to the employees of Subsidiary Companies	99.01%	0.99%
7.	Ratification and Amendment of the Fractal Analytics Limited Performance Based Key Employee Stock Incentive Plan 2019 ("Performance Based MIP 2019" or "Plan" or "Scheme")	98.03%	1.97%
8.	Ratification of the Extension of benefits under the Fractal Analytics Limited Performance Based Key Employee Stock Incentive Plan 2019 ("Performance Based MIP 2019" or "Plan" or "Scheme") to the employees of Subsidiary Companies	98.03%	1.97%
9.	Amendment to the Articles of Association of the Company for granting Board Nomination Rights/Special Rights to certain shareholders of the Company	90.17%	9.83%

Procedure for Postal Ballot:

Postal Ballot was conducted by the Company as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof for the time being in force), read with Rule(s) 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, each as amended, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs (MCA) for conducting postal ballot process through e-Voting vide General Circular No(s). 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 09/2024 dated September 19, 2024, 03/2025 dated September 22, 2025 and/or any other circulars issued from time to time by the MCA.

Special Resolution proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be passed through Postal Ballot, as on the date of this Report.

C. Extra-ordinary General Meetings:

During the financial year ended March 31, 2026, Three (3) Extra-ordinary General Meetings were held as follows:

Sr. No.	Date of meeting	Number of meetings
1.	July 29, 2025	01/2025-26 Extra-Ordinary General Meeting
2.	August 08, 2025	02/2025-26 Extra-Ordinary General Meeting
3.	October 10, 2025	03/2025-26 Extra-Ordinary General Meeting

12. Means of communication

Quarterly Results:	The Quarterly Results of the Company are published in the Financial Express, a National English daily with a wide circulation and the Navshakti (Marathi) newspaper. The results are also available on the website of the Company at https://fractal.ai/investor-relations
News Releases and Presentations:	The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange where the shares of the Company are listed (BSE and NSE) as well as on the Company's website at https://fractal.ai/investor-relations
Website:	The Company's website contains a separate section, Investor Relations https://fractal.ai/investor-relations where all the information and disclosures required to be disseminated as per the SEBI Listing Regulations and the Act are being posted.
SEBI Complaint Redressal System (SCORES):	Shareholders complaints are also processed through a centralised web based complaint redressal system, SCORES. This system enables the Company to have a centralised database of the complaints and upload online action taken reports. Investors can also view the current status of and actions taken on their complaints.
Online Dispute Resolution Portal (ODR Portal):	SEBI vide its Master Circular dated February 6, 2026, has provided an online dispute redressal forum/portal for redressing the unresolved queries of the shareholder(s). Pursuant to above-mentioned master circular, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website https://fractal.ai/investor-relations

13. General Shareholder Information:

A. Annual General Meeting:

Day, Date and Time	Wednesday, September 16, 2026 at 4:30 PM IST
Venue	Level 7, Commerz II, International Business Park, Oberoi Garden City, Off W. E. Highway Goregaon (E), Mumbai - 400063, Maharashtra, India.

B. Financial Year:

The Company follows financial year from April to March.

C. Dividend Payment Date:

The Company has not declared any dividend for the financial year 2025-26.

D. Listing Details:

Particulars	Details
BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Scrip Code: 544700
National Stock Exchange of India Limited ("NSE"), Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	Scrip Symbol: FRACTAL
Demat ISIN	INE212S01015

The Company has duly paid the Listing fees to BSE and NSE.

The Equity Shares of the Company were not suspended from trading anytime during the financial year 2025-26.

E. Registrar and Share Transfer Agent

MUFG Intime India Private Limited (Previously known as Link Intime India Private Limited	Unit: Fractal Analytics Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Toll free number: 1800 1020 878 Email ID: investor.helpdesk@in.mpms.mufg.com

F. Share Transfer System

As mandated by SEBI, securities of the Company can be transferred/ traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Norms for updation of Know Your Customer (KYC) details for shares held in physical form

SEBI has through relevant circulars issued in this regard mandated all shareholders holding shares in physical form to furnish PAN (compulsorily linked with Aadhaar), nomination, contact details, bank account details and specimen signature to RTA.

Presently, the Company has only 10 (Ten) shareholders holding 12,251 (Twelve thousand two hundred fifty-one) shares in physical form and whose KYC details are updated in the records of Registrar and Share Transfer Agent of the Company.

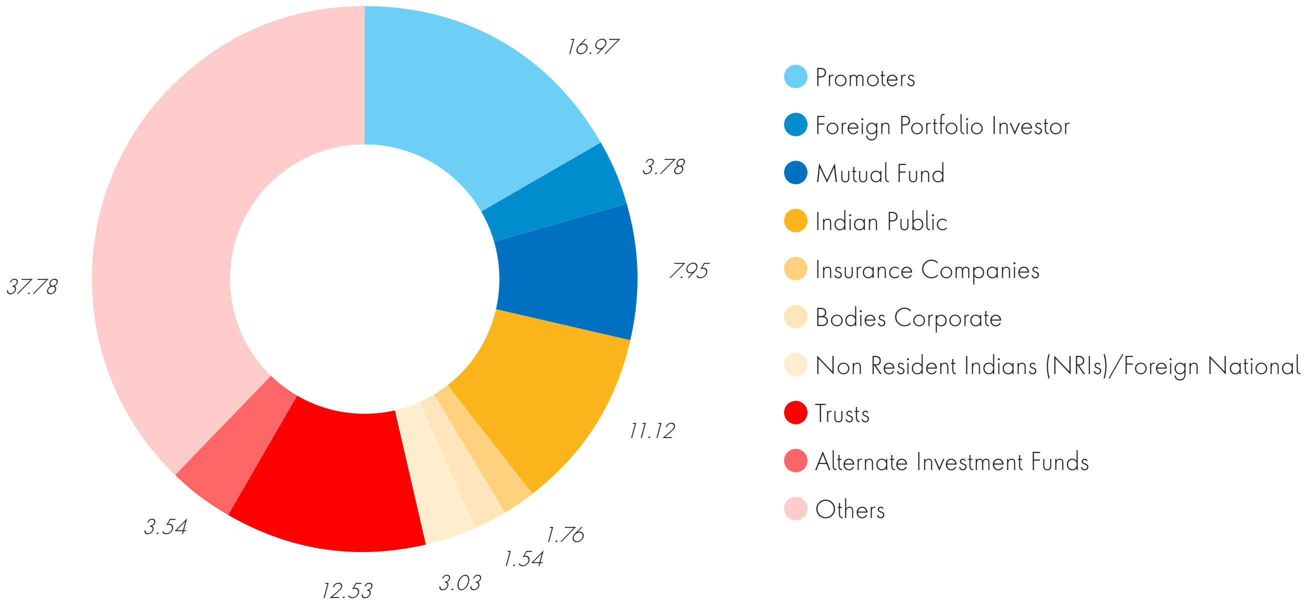
G. Distribution of Shareholding as on March 31, 2026

Sr. No	Category (Shares)	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Issued Capital
1	1 to 500	99782	97.9032	3644268	2.1192
2	501 to 1000	681	0.6682	481434	0.28
3	1001 to 2000	635	0.623	778856	0.4529
4	2001 to 3000	138	0.1354	351851	0.2046
5	3001 to 4000	80	0.0785	284360	0.1654
6	4001 to 5000	72	0.0706	333174	0.1937
7	5001 to 10000	158	0.155	1146078	0.6665
8	10001 and above	373	0.366	164945091	95.9178
	TOTAL:	**101919**	**100**	**171965112**	**100**

H. Category-wise Shareholding of Equity Shares as on March 31, 2026

Sr. No.	Particulars	No. of shares	Percentage
1	Promoters	29185195	16.97
3	Foreign Portfolio Investors	6497115	3.78
4	Mutual Fund	13663820	7.95
5	Indian public	19118634	11.12
6	Insurance Companies	3026510	1.76
7	Bodies Corporate	2655189	1.54
8	Non Resident Indians (NRIs)/Foreign Nationals	5213264	3.03
9	Trusts	21541335	12.53
10	Alternate Investment Funds	6094168	3.54
11	Others	64969882	37.78
	Total	**171965112**	**100.00**

Shareholding Pattern as on March 31, 2026:



I. Dematerialisation of Shares and Liquidity as on March 31, 2026.

Particulars of Equity Holding	No. of Shares	% of Total Issued Capital
Dematerialised form:		
NSDL	157622122	91.66%
CDSL	14330739	8.33%
Sub-Total	171952861	99.99%
Physical form:	12251	0.01%
Total	**171965112**	**100%**

J. Outstanding Global depository receipts (GDRs) or American depository receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2026.

K. Plant Locations

The Company is engaged in the business of software development and providing integrated, bespoke services, solutions, technology platforms, and software products, leveraging advanced analytics, artificial intelligence, data engineering, behavioural sciences, and user-centric design, delivered on-premise, remotely, or via the cloud, and has no such plants.

L. Address for correspondence:

Fractal Analytics Limited
CIN: L72400MH2000PLC125369
Registered Office: Level 7, Commerz II, International Business Park,
Oberoi Garden City, Off W. E. Highway Goregaon (E),
Mumbai - 400063, Maharashtra, India.
Phone: +91 22 6850 5800
Email: investorrelations@fractal.ai

M. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad – Not Applicable

14. Other Disclosures

a. Non-compliance/Penalties/Strictures Imposed

There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the stock exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

b. Whistle Blower Policy/Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Act, the Board of the Company has framed the Whistle Blower Policy & Vigil Mechanism for Directors and Employees of the Company.

The policy is available on the website of the Company at: https://fractal.ai/docs/Investor-Relations/Policies/Whistleblower-Policy-and-Vigil-Mechanism.pdf

During the year, no person was denied access to the Audit Committee for expressing their concerns or reporting grievances under the Whistle Blower Policy/Vigil Mechanism.

c. Compliance with Mandatory and adoption of Non-Mandatory Requirements

The Company has complied with all the mandatory corporate governance requirements under the SEBI Listing Regulations. Specifically, your Company confirms compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, have certified that your Company has complied with the mandatory requirements as stipulated under the SEBI Listing Regulations. The certificate has been annexed as **'Annexure III'** to this Report.

The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II and Regulation 27(1) of SEBI Listing Regulations:

1. The Statutory Auditor has issued an unmodified opinion on the financial statements of the Company for FY 2025-26
2. The findings of the Internal Audit are reported to the Audit Committee periodically.

d. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is exposed to foreign exchange risks emanating from the business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company proactively uses hedging instruments e.g., forward contracts, options and other simple derivatives from time to time.

The Company dœs not have any exposure on commodities directly. Accordingly, the disclosure pursuant to SEBI Master Circular dated January 30, 2026 is not applicable.

e. Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the financial year 2025-26, the Company has not raised any funds through preferential allotment or qualified institutions placement.

f. Fees Paid to Statutory Auditor

Details of fees paid to the Statutory Auditor, M/s. B S R & Co. LLP, Chartered Accountants and all entities in the network firm/network entity, of which the Statutory Auditor is a part, for all services taken by your Company and its subsidiaries, on a consolidated basis, during the financial year 2025-26 are as under:

(INR in Million)

Particulars	Amount **
Audit Fees	18.50
Tax audit fee	0.20
Limited Review Fees	3.00
Other Services*	48.71
Total	**70.41**

** Includes fees paid in connection with the Initial Public Offering*

*** Excludes out of pocket expenses and applicable taxes*

g. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The status of complaints received during the financial year ended March 31, 2026, pertaining to sexual harassment are as follows:

Particulars	Information
No. of complaints filed during the financial year	Nil
No. of complaints disposed off during the financial year	Nil
No. of complaints pending as on end of the financial year	Nil
No. of complaints pending more than ninety days	Nil
Nature of action taken	None

h. Loans and advances

The Company and its subsidiary have not given any Loans and advances in the nature of loan to firms/companies in which directors are interested.

i. Demat Suspense Account/Unclaimed Suspense Account

The details of equity shares held in 'Suspense Escrow Demat Account' of the Company are as follows:

Sr. No.	Particulars	Suspense Escrow Demat Account	
		No. of Members	No. of Equity Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	14	172504
2	Number of shareholders who approached the Company for transfer of shares from suspense account during the FY 2025-26.	02	80000
3	Number of shareholders to whom shares were transferred from suspense account during the FY 2025-26	02	80000
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of FY 2025-26	12	92504

Note: *The voting rights on these shares remain frozen till the rightful owner of such shares claims the shares.*

j. Disclosure of certain types of agreements binding the Company

Pursuant to Regulation 30A of the SEBI Listing Regulations, no agreement has been entered or executed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company and its subsidiaries during FY 2025-26.

ANNEXURE I

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

[Regulation 34(3) read with Schedule V (Part D) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of
Fractal Analytics Limited

I, **Srikanth Velamakanni,** Whole-Time Director and Group Chief Executive and Executive Vice-Chairman of Fractal Analytics Limited, hereby confirm that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management of the Company in respect of the FY 2025-26.

Srikanth Velamakanni
Whole-Time Director and
Group Chief Executive and
Executive Vice-Chairman

Date: July 29, 2026

ANNEXURE II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Fractal Analytics Limited
Level 7, Commerz II, International Business Park,
Oberoi Garden City, Off. Western Express Highway,
Goregaon (E), Mumbai - 400063

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Fractal Analytics Limited** having **CIN: L72400MH2000PLC125369** and having its registered office at Level 7, Commerz II, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (E), Mumbai - 400063, Maharashtra (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications {including Directors Identification Number (DIN) status at the portal www.mca.gov.in} as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended **March 31, 2026** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Rohan Haldea	08335883	February 15, 2019
2.	Mr. Srikanth Velamakanni	01722758	March 28, 2000
3.	Mr. Pranay Narendra Agrawal	00485739	March 28, 2000
4.	Mr. Gavin Echlin Patterson	08553630	September 10, 2019
5.	Mr. Vivek Mohan	08306394	March 29, 2022
6.	Mr. Sasha Gulu Mirchandani	01179921	April 26, 2024
7.	Ms. Janaki Akella	10680793	August 01, 2024
8.	Ms. Karen Ann Terrell	09764751	October 26, 2022
9.	Ms. Neelam Dhawan	00871445	October 11, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 6157/2024

Manisha Maheshwari
Partner
FCS No: 13272; C P No.: 11031
Mumbai | July 09, 2026
ICSI UDIN: P1981MH043700

ANNEXURE III

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Fractal Analytics Limited
Level 7, Commerz II, International Business Park,
Oberoi Garden City, Off. W. E. Highway, Goregaon (E),
Mumbai- 400063, Maharashtra,

We have examined the compliance of conditions of Corporate Governance by **Fractal Analytics Limited** ("the Company") for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Deepti Joshi
Partner
FCS: 8167
CP: 8968
UDIN: F008503H001041502

Date: July 29, 2026
Place: Mumbai