

## Independent Auditor's Report

### To the Members of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate including its subsidiaries (associate including its subsidiaries together referred to as "associates"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2025, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063



**Independent Auditor's Report (Continued)**

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were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates to express an opinion on the consolidated



**Independent Auditor's Report (Continued)**

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financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

- a. We did not audit the financial statements of sixteen subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 2,774 million as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 3,221 million and net cash inflows (before consolidation adjustments) (net) amounting to Rs. 336 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding Company's share of net loss (and other comprehensive loss) of Rs. 298 million for the year ended 31 March 2025, in respect of associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.
- b. Two of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Group's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.





**Independent Auditor's Report (Continued)**

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- c. The financial statements/financial information of fourteen subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of Rs. 637 million as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 720 million and net cash inflows (before consolidation adjustments) (net) amounting to Rs. 69 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/ unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements/financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/ consolidated financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except:
    - for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
    - in respect of Holding Company, we are unable to comment whether the back-up of accounting software used for maintaining revenue transactions which forms part of the books of account and other relevant books and papers in electronic mode has been taken on daily basis for the period 1 April 2024 to 17 December 2024;
    - in respect of Holding Company, the back-up of software used for maintaining payroll master which forms part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India;
    - the back-up of books of account and other relevant books and papers in electronic mode in respect of six subsidiaries and one step-down subsidiary which are companies incorporated in India has not been kept on servers physically located in India;
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.



**Independent Auditor's Report (Continued)**

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- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025, 1 April 2025 and 16 April 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act except in case of associate company, in the absence of written representation from Mr. Tarun Sharma, director of the associate company, we are unable to comment if he is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the subsidiaries and associates, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group and its associates. Refer Note 38(b) to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 32 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.
  - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended 31 March 2025.
  - d (i) The respective management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 40(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies and associate company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The respective management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 40(ii) to the consolidated financial statements, no funds have been received by the



**Independent Auditor's Report (Continued)**

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Holding Company or any of such subsidiary companies and associate company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company and its subsidiary companies and associate company incorporated in India have neither declared nor paid any dividend during the year.
- f. Based on our examination, which included test checks, considering reports of independent auditor's in relation to controls at the service organisation for accounting softwares and the procedures performed by the respective auditors of the subsidiary companies and associate company which are companies incorporated in India whose financial statements/financial information have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies and associate company have used accounting softwares for maintaining its books of account which, along with privilege access management tools, wherever applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
- i. In respect of Holding Company, six subsidiaries and one step-down subsidiary, at the application level for the accounting software used for maintaining general ledger for certain tables relating to transactions and master data audit trail was not enabled for the period 1 April 2024 to 3 December 2024. Further, in the absence of change log over audit trail feature at the application level, we are unable to comment whether audit trail feature of the said software was enabled.
- ii. In respect of Holding Company, six subsidiaries and one step-down subsidiary, at the database level, in the absence of an independent auditor's report in relation to controls at a service organization, for an accounting software used for maintaining general ledger, which is operated by third party software service provider, we are unable to comment whether the audit trail feature for the said software was enabled and operated throughout the year for all the relevant transactions recorded in the software.
- iii. In respect of Holding Company, due to the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of the service organization, we are unable to comment whether audit trail feature of the software used for maintaining payroll master was enabled and operated throughout the year for all relevant transactions recorded in the said software.
- iv. In respect of two subsidiaries and one step-down subsidiary, with regard to the software used for maintaining payroll master, the independent auditor's report of the service organization was available only for the period up to 30 September 2024 and did not provide adequate information on compliance with audit trail requirements. Additionally, the report for the remaining period was not available. Hence, we are unable to comment on whether the audit trail feature was enabled and functioned throughout the year for all relevant transactions.
- v. In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for



**Independent Auditor's Report (Continued)**

**Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)**

maintaining the books of account

- vi. In respect of associate company, based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that has operated during the year for all relevant transactions recorded in the software, however in the absence of sufficient and appropriate information pertaining to audit trail in the independent service auditors' report, we are unable to comment on the audit trail (edit log) feature at the database level to log any direct data changes.

Further, where audit trail (edit log) facility was enabled and operated, we and the respective auditors of such subsidiary companies, step-down subsidiary companies and associate company, did not come across any instance of the audit trail feature being tampered with.

Additionally, since audit trail was not enabled in the previous year, we and the respective auditors of such subsidiary companies, step-down subsidiary companies and associate company cannot comment if audit trail has been preserved by the Company as per the statutory requirements


- A. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248WW-100022



**Rajesh Mehra**

*Partner*

Place: Mumbai

Membership No.: 103145

Date: 21 May 2025

ICAI UDIN:25103145BMOVSO1176

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) for the year ended 31 March 2025**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Cuddle Artificial Intelligence Private Limited	U74999MH2016PTC283206	Subsidiary Company	Clause xvii - Pertaining to cash losses
2	Theremin AI Solutions Private Limited	U72900MH2018PTC318795	Subsidiary Company	Clause xvii - Pertaining to cash losses in the preceding financial year
3	Eugenie Technologies Private Limited	U74999MH2020PTC347625	Subsidiary Company	Clause xvii - Pertaining to cash losses
4	Senseforth AI Research Private Limited	U72900MH2017PTC436180	Subsidiary Company	Clause xvii - Pertaining to cash losses
5	Neal Analytics Services Private Limited	U72900MH2014FTC254858	Subsidiary Company	Clause xvii - Pertaining to cash losses in the preceding financial year
6	Fractal Alpha Private Limited	U72900MH2022PTC377868	Subsidiary Company	Clause xvii - Pertaining to cash losses in the preceding financial year
7	Analytics Vidhya Educon Private Limited	U80904MP2014PTC032389	Subsidiary Company	Clause xvii - Pertaining to cash losses
8	Qure.ai Technologies	U74999MH2016PTC283891	Associate Company	Clause xvii - Pertaining to



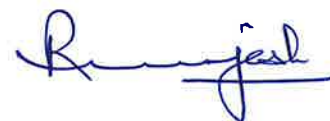
**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) for the year ended 31 March 2025 (Continued)**

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
	Private Limited			cash losses

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Rajesh Mehra**

*Partner*

Place: Mumbai

Date: 21 May 2025

Membership No.: 103145

ICAI UDIN:25103145BMOVSO1176

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) for the year ended 31 March 2025**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and associate company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements/ financial information of subsidiary companies and associate company, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and associate company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.



**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) for the year ended 31 March 2025 (Continued)**

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial information insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of above matter.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Rajesh Mehra**

*Partner*

Place: Mumbai

Date: 21 May 2025

Membership No.: 103145

ICAI UDIN:25103145BMOVSO1176

# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Consolidated Balance sheet as at March 31, 2025

(in Rupees million)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>(A) Non-current assets</b>			
(a) Property, plant and equipment	3	316	227
(b) Right-of-use assets	4	1,602	1,166
(c) Goodwill	5	3,582	3,513
(d) Other Intangible assets	6	1,370	1,356
(e) Intangible assets under development	6.1	137	59
(f) Investment accounted for using the equity method	7.1	4,258	4,259
(g) Financial assets			
(i) Investments	7.2	64	79
(ii) Other financial assets			
- Bank deposits	11	9	9
- Others	11	181	164
(h) Deferred tax assets (net)	13	561	479
(i) Income tax assets (net)		188	193
(j) Other non-current assets	12	62	12
<b>Total non-current assets (A)</b>		<b>12,330</b>	<b>11,516</b>
<b>(B) Current assets</b>			
(a) Financial assets			
(i) Investments	7.2	5,614	4,455
(ii) Trade receivables	8	5,848	5,333
(iii) Cash and cash equivalents	9a	2,649	812
(iv) Bank balances other than (iii) above	9b	234	66
(v) Loans	10	303	282
(vi) Other financial assets	11	39	65
(b) Other current assets	12	1,559	1,391
<b>Total current assets (B)</b>		<b>16,246</b>	<b>12,404</b>
<b>Total assets (A+B)</b>		<b>28,576</b>	<b>23,920</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Equity</b>			
(a) Share capital	14	31	31
(b) Other equity	15	17,501	14,026
<b>Equity attributable to owners of the Company</b>		<b>17,532</b>	<b>14,057</b>
(c) Non-controlling interest		122	142
<b>Total equity (C)</b>		<b>17,654</b>	<b>14,199</b>
<b>(B) Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	2,577	2,501
(ii) Lease liabilities	30	1,272	913
(iii) Other financial liabilities	18	450	310
(b) Provisions	20	188	187
(c) Deferred tax liabilities	13	688	1,016
<b>Total non-current liabilities (D)</b>		<b>5,175</b>	<b>4,927</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	85	-
(ii) Lease liabilities	30	356	218
(iii) Trade payables	17		
- Total outstanding dues of micro and small enterprises		102	40
- Total outstanding dues of creditors other than micro and small enterprises		518	472
(iv) Other financial liabilities	18	2,913	2,454
(b) Other current liabilities	19	1,647	1,408
(c) Provisions	20	64	148
(d) Current tax liabilities (net)		62	54
<b>Total current liabilities (E)</b>		<b>5,747</b>	<b>4,794</b>
<b>Total liabilities (D+E)</b>		<b>10,922</b>	<b>9,721</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>28,576</b>	<b>23,920</b>

## Material accounting policies

The accompanying notes form an integral part of the consolidated financial statements.  
As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Rajesh Mehra

Partner

Membership Number: 103145

Mumbai

Date: May 21, 2025

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

CIN: U72900MH2000PLC125369



Srujan Velamakanni

Whole-time Director

DIN: 01722758

Mumbai

Date: May 20, 2025



Sasha Gulu Mirchandani

Director

DIN: 01179921

Mumbai

Date: May 20, 2025



Somya Agarwal

Company Secretary

Membership number: A17336

Mumbai

Date: May 20, 2025



**Fractal Analytics Limited**  
(formerly known as Fractal Analytics Private Limited)

Consolidated statement of profit and loss for the year ended March 31, 2025

(in Rupees million)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
<b>(1) Income</b>			
(a) Revenue from operations	21	27,654	21,963
(b) Other income	22	508	456
<b>Total Income</b>		<b>28,162</b>	<b>22,419</b>
<b>(2) Expenses</b>			
(a) Employee benefits expense	23	20,048	17,370
(b) Employee stock option expense	33	798	963
(c) Finance costs	24	577	445
(d) Depreciation and amortisation expense	25	1,023	832
(e) Other expenses	26	3,309	2,896
<b>Total Expenses</b>		<b>25,755</b>	<b>22,506</b>
<b>(3) Profit / (Loss) before share of loss of an associate, exceptional items and tax expense (1-2)</b>		<b>2,407</b>	<b>(87)</b>
(4) Share of (loss) of an associate	36	(297)	(163)
<b>(5) Profit / (Loss) before exceptional items and tax expense (3-4)</b>		<b>2,110</b>	<b>(250)</b>
(6) Exceptional items	26.1	270	(55)
<b>(7) Profit / (Loss) before tax expense (5-6)</b>		<b>2,380</b>	<b>(305)</b>
<b>(8) Tax expense</b>	13		
(a) Current tax		557	325
(b) Deferred tax (credit)		(383)	(83)
<b>Total tax expense</b>		<b>174</b>	<b>242</b>
<b>(9) Profit / (Loss) for the year (7-8)</b>		<b>2,206</b>	<b>(547)</b>
<b>(10) Other comprehensive income</b>			
(1) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined employee benefit plans	28	16	23
(b) Income tax on item (a) above		(4)	(6)
(2) Items that will be reclassified subsequently to profit or loss			
(a) Effective portion of gains on derivatives designated as cash flow hedge		(88)	50
(b) Effective portion of gains on derivatives designated as cash flow hedge reclassified to profit or loss		23	(7)
(c) Income tax on items (a) & (b) above		16	(11)
(d) Share of loss of associate (net of taxes) recognised in other comprehensive income	36	(1)	(2)
(e) Exchange differences on translation of foreign operations		(12)	1
<b>Total other comprehensive income</b>		<b>(50)</b>	<b>48</b>
<b>(11) Total comprehensive Income / (Loss) for the year</b>		<b>2,156</b>	<b>(499)</b>
<b>Profit / (Loss) for the year attributable to:</b>			
Owners of the parent		2,230	(475)
Non-Controlling Interest		(24)	(72)
<b>Total</b>		<b>2,206</b>	<b>(547)</b>
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the parent		(50)	48
Non-Controlling Interest		0	0
<b>Total</b>		<b>(50)</b>	<b>48</b>
<b>Total comprehensive income / (loss) for the year attributable to:</b>			
Owners of the parent		2,180	(427)
Non-Controlling Interest		(24)	(72)
<b>Total</b>		<b>2,156</b>	<b>(499)</b>
<b>Earnings per share (Rupees per share)</b>	37		
Face value of Rs 1 each			
(1) Basic EPS		72.44	(15.60)
(2) Diluted EPS		66.82	(15.60)

**Material accounting policies**

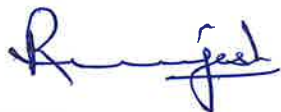
The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Rajesh Mehra

Partner

Membership Number: 103145

Mumbai

Date: May 21, 2025

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

CIN: U72400MH2000PLC125369



Srikanth Velamakanni

Whole-time Director

DIN: 01722758

Mumbai

Date: May 20, 2025



Soniya Agarwal

Company Secretary

Date: May 20, 2025

Mumbai

Date: May 20, 2025



Sasha Gulu Mirchandani

Director

DIN: 01179921

Mumbai

Date: May 20, 2025

**Fractal Analytics Limited**  
(formerly known as Fractal Analytics Private Limited)

Consolidated statement of cash flows for the year ended March 31, 2025

Particulars	(in Rupees million)	
	Year ended March 31, 2025	Year ended March 31, 2024
<b>(A) Cash flows from operating activities</b>		
Profit / (Loss) before tax expense	2,380	(305)
<b>Adjustment for:</b>		
Depreciation and amortisation expense	683	583
Depreciation on right of use assets	340	249
Finance costs	572	445
Interest income on bank deposits and loan to directors	(42)	(30)
Gains (net) on investments mandatorily measured at fair value through profit or loss/Gain on redemption/sale of financial instruments	(276)	(285)
Unrealised loss/(gain) on derivative contracts	65	(51)
Interest income on unwinding of security deposits given	(13)	(12)
Groups share of losses in associate	297	163
Remeasurement loss/(gain) of retained Interest in associate	(297)	55
Impairment in value of intangible assets under development	27	-
Unrealised foreign exchange (gain)/loss (net)	(84)	41
Employee stock option expense	798	963
Provision for tax settlement (Refer note 26(a))	(59)	5
Bad Debts	23	1
Provision for expected credit loss and doubtful advances	17	43
<b>Operating cash flow before working capital changes</b>	<b>4,431</b>	<b>1,865</b>
<b>Adjustment for changes in working capital:</b>		
(Increase) in trade receivables	(452)	(398)
(Increase) in other current financial assets	(11)	(8)
(Increase) in other non current financial assets	(46)	(13)
(Increase) in other current assets	(135)	(257)
Decrease in other non current assets	(5)	28
Increase / (Decrease) in trade payables	108	(58)
Increase in other non current financial liabilities	120	170
Increase in other current financial liabilities	309	310
(Decrease) / Increase in provisions	(9)	124
Increase in other current liabilities	217	155
<b>Cash generated from operations</b>	<b>4,527</b>	<b>1,918</b>
Tax paid (net of refunds)	(557)	(323)
<b>Net cash flow generated from operating activities</b>	<b>3,970</b>	<b>1,595</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(828)	(245)
Payment towards investment in equity shares	(15)	(0)
Sale of financial assets	-	5
Payment towards acquisition of shares from Non controlling interest	-	(4)
Maturity / (investment) of bank deposits	(167)	76
Payment of deferred consideration	-	(16)
Purchase of mutual fund units	(7,308)	(8,203)
Maturity proceeds on redemption of mutual fund units	6,482	6,866
Interest on bank deposits	26	20
<b>Net cash flow used in investing activities</b>	<b>(1,810)</b>	<b>(1,501)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from issue of equity shares and share application money pending allotment	501	100
Proceeds from issue of equity shares issued by subsidiary company to Non controlling interest	-	0
Repayment of lease liabilities	(371)	(313)
Interest paid during the year	(314)	(401)
Repayments of borrowing (Refer sub note 3 below)	(40)	(836)
<b>Net cash flow generated from / (used in) financing activities</b>	<b>(224)</b>	<b>(1,450)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,936</b>	<b>(1,356)</b>
Cash and cash equivalents at the beginning of the year	812	2,132
Effect of exchange rate changes	(99)	36
<b>Cash and cash equivalents at the end of the year</b>	<b>2,649</b>	<b>812</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash in hand	0	0
Balance with banks:		
In current accounts	2,649	812
In fixed deposit account with original maturity of 3 months or less	-	-
<b>Total cash and cash equivalents</b>	<b>2,649</b>	<b>812</b>

1. Purchase of property, plant and equipment and intangibles are shown inclusive of movements in Intangible asset under development.

**2. Details of borrowings**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,501	3,256
Cash movement (net)	(40)	(836)
Arrangement fees expensed off on refinancing of borrowings	137	-
Effect of exchange rate changes	64	81
<b>Balance at the end of the year</b>	<b>2,662</b>	<b>2,501</b>

3. The proceeds has been settled on net basis of Rs 2,631 million (USD 31.48 Million). The Company has paid Rs 57 million as arrangement fees on refinancing of borrowings.

4. Refer note 30(i) for movement of lease liabilities.

**Material accounting policies**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

Rajesh Mehra  
Partner  
Membership Number: 103145

Mumbai  
Date: May 21, 2025

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

CIN: U72900MH2000PLC125369

Srikanth Velamakanni  
Whole-time Director  
DIN: 01722758

Mumbai  
Date: May 20, 2025

Sasha Gulu Mirchandani  
Director  
DIN: 01179921

Mumbai  
Date: May 20, 2025

Somya Agarwal  
Company Secretary  
Membership number: A17336

Mumbai  
Date: May 20, 2025

(A) Equity share capital

(In Rupees million)		
Particulars	Note	Amount
Balance as at April 1, 2024		26
Changes in equity share capital during the year	(14)	0
Balance as at March 31, 2025		26
Balance as at April 1, 2023		26
Changes in equity share capital during the year	(14)	0
Balance as at March 31, 2024		26

(B) Instruments entirely equity in nature - Series B 0.001 % Compulsorily convertible preference shares

(In Rupees million)		
Particulars	Note	Amount
Balance as at April 1, 2024		5
Changes in preference share capital during the year	(14)	-
Balance as at March 31, 2025		5
Balance as at April 1, 2023		5
Changes in preference share capital during the year	(14)	-
Balance as at March 31, 2024		5

(C) Other equity

(In Rupees million)										
Particulars	Share application money pending allotment	Reserve and Surplus				Items of other comprehensive income		Total attributable to Owners of the Company	Attributable to Non controlling interest	Total equity
		Securities premium	Employee stock option reserve (ESOP)	Retained earnings	Remeasurement of defined employee benefit plans	Exchange differences on translating the financial statements of a foreign operation	Effective portion of gains/(loss) on derivatives designated as cash flow hedge (net)			
Balance as at April 01, 2024	22	12,108	2,880	(1,071)	(112)	167	32	14,026	142	14,168
Profit/(loss) for the year	-	-	-	2,230	-	-	-	2,230	(24)	2,206
Other comprehensive income	-	-	-	-	11	(12)	(49)	(30)	0	(50)
Total comprehensive income	-	-	-	2,230	11	(12)	(49)	2,180	(24)	2,156
Issue of equity shares	(447)	447	-	-	-	-	-	-	-	-
Share application money received during the year	501	-	-	-	-	-	-	501	-	501
Derecognition of non controlling interest	-	-	-	(5)	-	-	-	(5)	-	-
Transfer from Remeasurement of defined benefit plans	-	-	-	(12)	12	-	-	-	-	-
Employee stock option expense	-	-	794	-	-	-	-	794	4	798
Transfer to retained earnings on account of vested ESOP lapsed	-	-	(26)	31	-	-	-	5	(5)	-
Transfer to securities premium on account of exercised ESOP	-	339	(130)	-	-	-	-	-	-	-
Balance as at March 31, 2025	76	12,894	2,309	1,173	(89)	155	(17)	17,501	122	17,623
Balance as at April 01, 2023	3	11,977	2,017	(636)	(127)	166	-	13,400	207	13,607
(Loss) for the year	-	-	-	(475)	-	-	-	(475)	(72)	(547)
Other comprehensive income	-	-	-	-	15	1	32	48	(0)	48
Total comprehensive income	-	-	-	(475)	15	1	32	(427)	(72)	(499)
Issue of equity shares	(3)	81	-	-	-	-	-	78	0	78
Share application money received during the year	22	-	-	-	-	-	-	22	-	22
Derecognition of non controlling interest	-	-	-	(5)	-	-	-	(5)	6	1
Employee stock option expense	-	-	948	-	-	-	-	948	15	963
Transfer to retained earnings on account of vested ESOP lapsed	-	-	(35)	45	-	-	-	10	(10)	-
Transfer to securities premium on account of exercised ESOP	-	50	(50)	-	-	-	-	-	-	-
Balance as at March 31, 2024	22	12,108	2,880	(1,071)	(112)	167	32	14,026	142	14,168

Material accounting policies 2  
The accompanying notes form an integral part of the consolidated financial statements

Nature and purpose of reserves

- (a) **Securities premium** : The amount received in excess of face value of the equity shares is recognised in securities premium. It can be used only in accordance with provisions of Companies Act, 2013 for specified purposes.
- (b) **Employee stock option reserve**: This relates to stock options granted by the Parent Company to its Group's employees under an Employee stock options plan.
- (c) **Retained earnings**: Retained earnings are the profits that the Group has earned till date net of appropriations.
- (d) **Exchange differences on translating the financial statements of a foreign operation** : Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency i.e. Rs. are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are subsequently reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.
- (e) **Share application money pending allotment**: Share application money pending allotment represents application money received on account of employees stock option plan.
- (f) **Remeasurement of defined benefit plans** : Comprises actuarial gains and losses and return on plan assets (excluding interest income).
- (g) **Effective portion of gains on derivatives designated as cash flow hedge (net)** : The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or loss will be reclassified to Consolidated Statement of Profit and Loss in the year in which the underlying hedged transactions are settled.

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration Number: 101246W/N-100022



Rajesh Mehra  
Partner  
Membership Number: 103145

Mumbai  
Date: May 21, 2025

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

CIN: U72400MH2000PLC125369



Srikanth Velamakanni  
Whole-time Director  
DIN: 01722758

Mumbai  
Date: May 20, 2025



Sasha Gulu Mirchandani  
Director  
DIN: 01179921

Mumbai  
Date: May 20, 2025



Soniya Agarwal  
Company Secretary  
Membership number: A17336

Mumbai  
Date: May 20, 2025

# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2025

### 1. Corporate Information

Fractal Analytics Limited ('Fractal' or 'the Company' or 'the Parent') (Formerly known as Fractal Analytics Private Limited) is a limited Company, incorporated and domiciled in India. The Company and its subsidiaries (hereinafter referred to as 'the Group') is the leading provider of advanced analytics that helps companies leverage data driven insights in taking considered decisions. The analytics solution of Group helps companies to enhance profitability by powering their customer management efforts with scientific decision making.

The registered office of the Parent Company is located at Level 7, Commerz II, International Business Park, Oberoi Garden City, Western Express Highway, Goregaon (E), Mumbai, India. The Company changed its name to Fractal Analytics Limited effective from May 16, 2024.

### 2. Material accounting policies followed by the Group

#### 2.1 Basis of Preparation of consolidated financial statement

##### Basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a historical cost basis, except for Derivative financial instruments, investment in mutual funds and equity / preference securities and share based payment arrangements which are measured at fair value; net defined benefit (asset) / liability is measured at present value of defined obligation less fair value of plan assets (refer note 2.10).

The consolidated financial statements are presented in Indian rupees (INR), which is the Company's presentation and functional currency. All values are rounded off to nearest million, except when otherwise indicated. Amount denoted as '0' is less than Rs 1 million in the consolidated financial statement.

##### Basis of Consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries and its associate for the year ended March 31, 2025.

The consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### 2.2 Business Combination

- (i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.





# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2025

- (ii) Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.
- (iii) The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.
- (iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in the Consolidated Statement of Profit and Loss.
- (v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.
- (vi) Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.
- (vii) Non-controlling interest is measured at proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Any goodwill that arises on account of such business combination is tested annually for impairment.

### 2.3 Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- (ii) Derecognises the carrying amount of any noncontrolling interests.
- (iii) Derecognises the cumulative translation differences recorded in equity.
- (iv) Recognises the fair value of the consideration received.
- (v) Recognises any surplus or deficit in profit and loss.
- (vi) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2025

## 2.4 Investment in associate

- (i) An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control of those policies. Investments in associate is accounted for using the equity method unless otherwise stated.
- (ii) Under the equity method, on initial recognition the investment in an associate is recognised at deemed cost. The carrying amount of the investment in associate is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition, unless the share purchase agreement specify otherwise. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Unrealised gains and losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.
- (iii) Pursuant to change in ownership interest in associate, the Group has continued to apply equity method. The gain or loss on the change in ownership interest in an equity-accounted investee is calculated as the difference between:
- the entity's ownership interest in the new assets received by the investee for the subscription of the new shares ; and
  - the reduction in ownership interest in the previous carrying amount and any resulting gain or loss is recognised in Consolidated Statement of Profit or Loss

## 2.5 Property, plant and equipment ('PPE')

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes its purchase price including inward freight, duties, taxes and all incidental expenses incurred to bring the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Capital work in progress includes cost of PPE under development as at the Balance Sheet date and is carried at cost, comprising of direct cost and directly attributable cost.

The carrying amount of PPE is eliminated from the consolidated financial statement, either on disposal or when retired from active use. Losses/gains arising on derecognition of the PPE is recognised in the Consolidated Statement of Profit and Loss.

The carrying amount of any component accounted for as a separate asset is derecognised when it is replaced or retired or discarded. All other repairs and maintenance are charged to Consolidated Statement of profit or loss during the reporting period in which they are incurred.

### Depreciation

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The management basis its past experience has estimated the useful lives, which is at variance with the life prescribed in Part C of Schedule II to the Act and has accordingly, depreciated the assets over such useful lives.



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2025

Useful life of assets considered are as below:

Description of assets	Useful life of assets
Furniture and fixtures	10 years
Office equipment	3 years
Leasehold improvements	Over the period of lease
Computers and accessories	3 - 6 years

### 2.6 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

The intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Cost comprises of the acquisition price, and any cost directly attributable and allocable on a reasonable basis for making the asset ready for its intended use.

Intangible assets under development includes intellectual property under development as at the balance sheet date. Product development costs are incurred on developing/upgrading the software products to launch new service modules and functionality to provide an enhanced suite of services. These development costs are capitalized and recognised as an intangible asset when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its ability and intention to use or sell the asset;
- The availability of adequate resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible assets and probability of how the same will generate future economic benefits.

#### Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

#### Amortization

Amortization is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use.

The estimated useful lives are as follows:

Description of assets	Useful life of assets (Years)
Computer Software	3
Client Relationships	3 -10
Patent	3
Brand	5
Developed Content	10
Internally generated intellectual property	3-5



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The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each financial year. Changes in the expected useful life are considered to modify the amortisation period and are treated as changes in accounting estimates.

Intangible assets are amortised over their expected useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss.

### 2.7 Impairment of non-financial assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Groups' each class of non-financial assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Intangible assets under development are tested for impairment annually.

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. They are first used to reduce the carrying amount of any goodwill allocated to CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rate basis. An impairment loss recognised for goodwill is not reversed in subsequent periods. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash-generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

### 2.8 Foreign Currency Translation

#### Functional and presentation currency

Items included in the consolidated financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in Indian Rupees (INR), which is functional and presentation currency of the Parent Company.





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### Transactions and balances

Transactions in foreign currencies are initially recognised using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the

functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction.

### Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet
- income and expenses are translated at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

On consolidation, exchange differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

## 2.9 Revenue recognition

Revenue is recognized when the Group satisfies performance obligations under the terms of its contracts, and control of the services is transferred to its customers, in an amount that reflects the consideration the Group expects to receive from its customers in exchange for those services. This process involves identifying the customer contract, determining the performance obligations in the contract, determining the transaction price, allocating the transaction price to the distinct performance obligations in the contract, and recognizing revenue when the performance obligations have been satisfied. A performance obligation is considered distinct from other obligations in a contract when it:

- (a) provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and;
- (b) is separately identified in the contract. The Group considers a performance obligation satisfied once it has transferred control of services to the customer, meaning the customer has the ability to use and obtain the benefit from the services rendered.

Revenue from time and material contracts is recognised as and when services are performed on output basis measured by efforts expended.

Revenue related to fixed price retainership contracts is recognised based on time elapsed and is recognised on a straight-line basis over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') with contract costs incurred determining the degree of completion of the performance obligation.

Subscription income consist of fees from customers accessing Group's cloud-based software solutions. Revenues are generally recognized over the period when control of these services is transferred to customers, in an amount that reflects the consideration expected to be entitled to in exchange for those



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services. The Group's subscription arrangements are considered service contracts, and the customer does not have the right to take possession of the software.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change.

In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

## 2.10 Employee benefits

### Defined contribution plans

The Group's contribution to Provident fund and Labour Welfare Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The Group provides benefits such as gratuity to its employees which are treated as defined benefit plans.



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## Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance linked incentive and compensated absences in few geographies which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Compensated absences are measured basis accrual for unutilized leave balance determined for the entire available leave balance outstanding to the credit of the employees at period-end. The leave balance eligible for carry-forward is valued at gross compensation cost.

## 2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit at the time of the transaction and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered and any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



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Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

### Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.12 Leases

### The Group as a lessee

The Group's lease asset classes primarily consist of leases for office premises. The Group assesses whether a contract contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right -of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right -of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the lease term.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing activity in consolidated statement of cash flows.

The Group does not have any lease contracts wherein it acts as a lessor.





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## 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### A. Financial assets

#### (i) Classification, recognition and measurement:

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument except for trade receivables which are initially measured at transaction price.

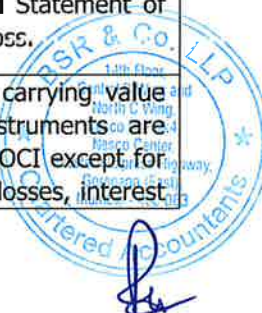
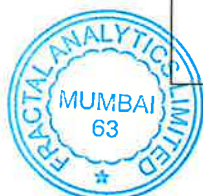
The Group initially classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in Consolidated Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortized cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance income. Any gain or loss on derecognition of the financial Instrument measured at amortized cost is recognised in Consolidated Statement of Profit and Loss.
	Fair value through other comprehensive	Assets that are held for collection of contractual cash	At fair value plus transaction costs that are	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest



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	income (FVOCI)	flows and for selling the financial assets, where contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	directly attributable to the acquisition of the financial asset	income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in Consolidated Statement of Profit and Loss  Interest income, transaction cost and discount or premium on acquisition are recognized in the Consolidated Statement of Profit and Loss (finance income) using effective interest rate method.  On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Consolidated Statement of Profit and Loss in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.	At fair value.  Transaction costs of financial assets expensed to Consolidated Statement of Profit and Loss	Any gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises.  Changes in fair value of such assets are recorded in Consolidated Statement of Profit and Loss as other gains/ (losses) in the period in which it arises.  Interest income from these financial assets is included in the finance income.
Equity instruments	FVOCI	The Group's management has made an irrevocable	At fair value plus transaction costs that are	Changes in fair value of such instruments are recorded in OCI.



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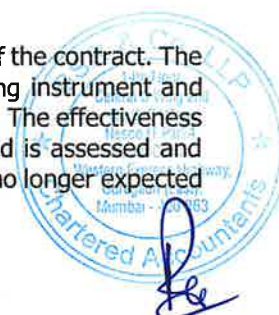
		election at the time of initial recognition to account for the equity investment (on an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	directly attributable to the acquisition of the financial asset	On disposal of such instruments, no amount is reclassified to Consolidated Statement of Profit and Loss  Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.  Dividend income from such instruments are however recorded in Consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value.  Transaction costs of financial assets expensed to Consolidated Statement of Profit and Loss	Changes in fair value of such assets are recorded Consolidated Statement of Profit and Loss.

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, they are recorded as plus/minus transaction costs that are attributable to the acquisition of the financial assets.

### Instruments in hedging relationship

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cashflows denominated in foreign currency. The Company limits the effect of foreign exchange rate fluctuation by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank. The Company holds derivative financial instruments such as foreign exchange forward and option contracts.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected



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to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading effective portion of gains/(Loss) on derivatives designated as cashflow hedge.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

### Instruments not in hedging relationship

The Group enters in contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in the statement of profit and loss.

### (ii) Impairment

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, and bank balance.
- b) Trade receivables
- c) Contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors.

### (iii) Derecognition of financial assets:

A financial asset is derecognised only when

- (a) The contractual terms to the cash flows from the financial assets expire or the Group has transferred the rights to receive cash flows from the financial asset in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.



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### Financial liabilities and equity instruments:

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Classification, recognition and measurement:

#### (a) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

#### (b) Financial liabilities:

##### Initial recognition and measurement:

Financial liabilities are initially recognised at fair value minus any transaction costs that are attributable to the issue of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

##### Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at amortized cost
- at fair value through profit or loss (FVTPL)

#### (i) Financial liabilities at amortized cost:

The Group is classifying the following under amortized cost;

- Borrowings from banks
- Borrowings from others
- Trade payables

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

#### (ii) Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability.

### Derecognition:

A financial liability is removed from the Consolidated Balance Sheet when the obligation is discharged, or is cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the





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recognition of a new liability. The difference in the carrying amounts extinguished and consideration paid is recognised in the Consolidated Statement of Profit and Loss.

### 2.14 Fair value measurement:

The Group measures financial instruments such as, certain investments and derivative instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 2.13: Financial Instruments

Note 2.16: Share-based payment arrangements

### 2.15 Provisions and Contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The



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provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.16 Share-based payments:

The cost of equity-settled transactions with employees is measured at fair value at the date at which are granted. The fair value of share awards is determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

### 2.17 Segment reporting:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators.

### 2.18 Cash and cash equivalents:

Cash and cash equivalents in the Consolidated Statement of assets and liabilities comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 2.19 Statement of cash flows

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

### 2.20 Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as reduction from expense on a systematic basis over the period of the related costs.



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### 2.21 Earnings per share:

The basic earnings per share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

The diluted earnings per share ("DEPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as adjusted for the effects of all dilutive potential equity shares.

### 2.22 Current / Non-current classification:

An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in the normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period; or
- (d) the Group has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Group's normal operating cycle is twelve months.

### 2.23 Significant accounting estimates, judgements and assumptions:

The preparation of the Group's consolidated financial statement in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the consolidated financial statement were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Group's accounting policies, management has made the following judgements and estimates which have significant effect on the amounts recognised in the consolidated financial statement:

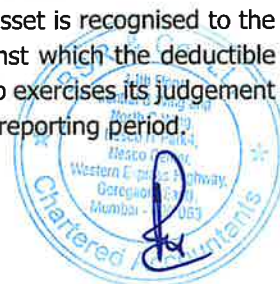


# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2025

- a. Useful lives of property, plant and equipment and intangible assets:** The Group reviews the useful lives of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.
- b. Defined benefit plan:** The cost of the defined benefit gratuity obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and attrition rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- c. Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- d. Provisions and contingencies:** The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statement.
- e. Share-based payments:** The Group measures the cost of equity-settled transactions with employees using Black-Scholes and binomial model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.
- f. Provision for income tax and deferred tax assets:** The Group uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.





# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2025

### g. Revenue recognition:

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group estimates the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

### h. Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

## 2.24 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS 117 – Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

## 3 Property, plant and equipment

(in Rupees million)

Particulars	Computers and accessories	Leasehold improvements	Furniture and fixtures	Office equipment	Total
<b>Gross carrying amount</b>					
As at April 01, 2024	889	482	65	173	1,609
Additions	260	-	5	5	270
Disposals/derecognition	(123)	(12)	(3)	(16)	(154)
Exchange differences on translating the financial statements of foreign operation	1	6	0	1	8
<b>As at March 31, 2025</b>	<b>1,027</b>	<b>476</b>	<b>67</b>	<b>163</b>	<b>1,733</b>
<b>Accumulated depreciation</b>					
As at April 01, 2024	702	481	41	158	1,382
Charge for the year	162	1	5	4	172
On Disposals/derecognition	(112)	(12)	(3)	(16)	(143)
Exchange differences on translating the financial statements of foreign operation	(0)	6	0	(0)	6
<b>As at March 31, 2025</b>	<b>752</b>	<b>476</b>	<b>43</b>	<b>146</b>	<b>1,417</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>275</b>	<b>-</b>	<b>24</b>	<b>17</b>	<b>316</b>
<b>Gross carrying amount</b>					
As at April 01, 2023	834	260	64	392	1,550
Reclassification^	-	220	-	(220)	-
Additions	72	-	1	4	77
Disposals/derecognition	(19)	(1)	(0)	(3)	(23)
Exchange differences on translating the financial statements of foreign operation	2	3	-	-	5
<b>As at March 31, 2024</b>	<b>889</b>	<b>482</b>	<b>65</b>	<b>173</b>	<b>1,609</b>
<b>Accumulated depreciation</b>					
As at April 01, 2023	517	232	36	353	1,138
Reclassification^	-	196	-	(196)	-
Charge for the year	202	51	5	4	262
On Disposals/derecognition	(19)	(1)	(0)	(3)	(23)
Exchange differences on translating the financial statements of foreign operation	2	3	-	0	5
<b>As at March 31, 2024</b>	<b>702</b>	<b>481</b>	<b>41</b>	<b>158</b>	<b>1,382</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>187</b>	<b>1</b>	<b>24</b>	<b>15</b>	<b>227</b>

^ Leasehold improvement is reclassified for one of the office premises from office equipment.

Note : The Group does not hold any immovable properties.



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial statements as at and for year ended March 31, 2025

### 4 Right of use assets

(in Rupees million)

Particulars	Office premises	Vehicles	Total
<b>Gross carrying amount</b>			
As at April 01, 2024	1,383	-	1,383
Additions	719	52	771
Disposals	(185)	(1)	(186)
Exchange differences on translating the financial statements of foreign operations	8	-	8
<b>As at March 31, 2025</b>	<b>1,925</b>	<b>51</b>	<b>1,976</b>
<b>Accumulated depreciation</b>			
As at April 01, 2024	217	-	217
Charge for the year	331	9	340
On disposals	(185)	(0)	(185)
Exchange differences on translating the financial statements of foreign operations	2	-	2
<b>As at March 31, 2025</b>	<b>365</b>	<b>9</b>	<b>374</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>1,560</b>	<b>42</b>	<b>1,602</b>
<b>Gross carrying amount</b>			
As at April 01, 2023	1,224	-	1,224
Additions	948	-	948
Disposals	(793)	-	(793)
Exchange differences on translating the financial statements of foreign operations	4	-	4
<b>As at March 31, 2024</b>	<b>1,383</b>	<b>-</b>	<b>1,383</b>
<b>Accumulated depreciation</b>			
As at April 01, 2023	756	-	756
Charge for the year	249	-	249
On disposals	(790)	-	(790)
Exchange differences on translating the financial statements of foreign operations	2	-	2
<b>As at March 31, 2024</b>	<b>217</b>	<b>-</b>	<b>217</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>1,166</b>	<b>-</b>	<b>1,166</b>

#### Note :

1. The Right-of-use assets as per Ind AS-116 comprises of lease of office premises and vehicles.
2. Exchange differences on translating the financial statements of a foreign operation reflects change in value of asset adjusted for closing rate of local currency in respective geography.
3. The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortisation expenses in the consolidated Statement of Profit and Loss.

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# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial statements as at and for year ended March 31, 2025

### 5 Goodwill

(in Rupees million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Goodwill at the beginning of the year	3,513	3,475
Add: Exchange differences on translating the financial statements of foreign operations	69	38
<b>Goodwill at the end of the year</b>	<b>3,582</b>	<b>3,513</b>

The carrying amount of goodwill allocated to acquisitions forming part of operating segments are as follows:

(in Rupees million)		
Particulars	As at March 31, 2025	As at March 31, 2024
Fractal.ai	3,274	3,208
Fractal alpha		
- Asper.ai Group	126	123
- Analytics Vidhya Educon Private Limited	182	182
<b>Total</b>	<b>3,582</b>	<b>3,513</b>

The Group during the year ended March 31, 2024 had integrated its businesses for the Neal Analytics, Final Mile Consultants Private Limited, 4i Consulting Inc and Senseforth.ai CGU's into Fractal.ai and post integration considers Fractal.ai as a single CGU.

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Group estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

The goodwill amount for respective years (relating to different CGUs individually) has been evaluated based on the cash flow forecasts of the related CGUs over a period of five years and the recoverable amounts of these CGUs exceeded their carrying amounts.

An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount as on date.

The estimated value-in-use of CGUs is based on the future cash flows using 3% to 5% as at March 31, 2025 (March 31, 2024 : 3% to 5%) terminal growth rate and discount rate of 18% to 25% as at March 31, 2025 (March 31, 2024 : 18% to 30%).

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the Cash Generating Unit (CGU).

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**6 Other Intangible assets**

(in Rupees million)

Particulars	Computer Software	Client relationship	Internally generated Intellectual Property	Brand	Developed Content	Patent	Total
<b>Gross carrying amount</b>							
As at April 01, 2024	424	939	1,109	30	102	5	2,609
Additions	353	-	143	-	-	-	496
Disposals (Refer note 3 below)	-	-	(140)	-	-	-	(140)
Exchange differences on translating the financial statements of foreign operation	14	21	12	-	-	1	48
<b>As at March 31, 2025</b>	<b>791</b>	<b>960</b>	<b>1,124</b>	<b>30</b>	<b>102</b>	<b>6</b>	<b>3,013</b>
<b>Accumulated amortization</b>							
As at April 01, 2024	108	261	841	14	24	5	1,253
Charge for the year	128	118	249	6	10	-	511
On disposals (Refer note 3 below)	-	-	(140)	-	-	-	(140)
Exchange differences on translating the financial statements of foreign operation	4	6	8	-	-	1	19
<b>As at March 31, 2025</b>	<b>240</b>	<b>385</b>	<b>958</b>	<b>20</b>	<b>34</b>	<b>6</b>	<b>1,643</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>551</b>	<b>575</b>	<b>166</b>	<b>10</b>	<b>68</b>	<b>-</b>	<b>1,370</b>
<b>Gross carrying amount</b>							
As at April 01, 2023	107	927	981	30	102	4	2,151
Additions	313	-	119	-	-	-	432
Exchange differences on translating the financial statements of foreign operation	4	12	9	-	-	1	26
<b>As at March 31, 2024</b>	<b>424</b>	<b>939</b>	<b>1,109</b>	<b>30</b>	<b>102</b>	<b>5</b>	<b>2,609</b>
<b>Accumulated amortization</b>							
As at April 01, 2023	65	165	666	8	14	4	922
Charge for the year	42	93	170	6	10	-	321
Exchange differences on translating the financial statements of foreign operation	1	3	5	-	-	1	10
<b>As at March 31, 2024</b>	<b>108</b>	<b>261</b>	<b>841</b>	<b>14</b>	<b>24</b>	<b>5</b>	<b>1,253</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>316</b>	<b>678</b>	<b>268</b>	<b>16</b>	<b>78</b>	<b>-</b>	<b>1,356</b>

Note 1 : Refer note 16 for details of charge/hypothecation created against intangible assets.

Note 2 : The estimated amortisation of intangible assets for the year ended subsequent to March 31, 2025 is as follows :

Year ending 31 March	in Rupees Million
2026	439
2027	344
After 2027	587

Note 3 : The Group during the year ended March 31, 2025 had assessed the carrying value of its intangible assets of its subsidiary and basis its assessment the Group is not intending to use its assets and accordingly has written-off of Rs 140 million (March 31, 2024 : Nil).

**6.1 Intangible Assets Under Development (IAUD)**

(in Rupees million)

Particulars	Amount
<b>Gross carrying amount</b>	
As at April 01, 2024	59
Additions	261
Less: Capitalisation	(156)
Less : Provision for impairment loss (Refer sub note 1 below)	(27)
<b>As at March 31, 2025</b>	<b>137</b>
<b>Gross carrying amount</b>	
As at April 01, 2023	7
Additions	171
Less: Capitalisation	(119)
<b>As at March 31, 2024</b>	<b>59</b>

Note 1 : During the year ended March 31, 2025 the Group has assessed the carrying value of its intangible assets in a subsidiary company, leading to intangible asset under development's recoverable amount to be below its carrying amount and hence written-off of Rs 27 million.

**Ageing of Projects in progress (at gross value before impairment)**

(in Rupees million)

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025	137	-	-	-	137
As at March 31, 2024	59	13	15	59	146

**Breakup of nature of expenses towards internally generated intellectual property which has been capitalised :**

(in Rupees million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	203	88
Other expenses	49	83
<b>Total</b>	<b>252</b>	<b>171</b>



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial statements as at and for year ended March 31, 2025

(in Rupees million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>7.1 Investment accounted for using the equity method</b>		
<b>Investments in unquoted equity instruments</b>		
Qure.ai Technologies Private Limited 250,000,000 (March 31, 2024: 250,000,000) equity shares of Rs 1 each fully paid up (Refer note 36)	4,258	4,259
<b>Total carrying value</b>	<b>4,258</b>	<b>4,259</b>
<b>7.2 Investments (Non-current)</b>		
<b>A. Investment in Equity instruments</b> <b>(Unquoted, measured at fair value through profit and loss)</b>		
Commure, Inc. (Refer note 1 below) 5,003 (March 31, 2024 : 5,003) shares of common stock	1	33
Qi-Cap Investments Private Limited (Refer note 31(b)) 141,217 (March 31, 2024 : 132,567) shares of face value Rs 1 each	15	0
<b>B. Investment in preferred stock</b> <b>(Unquoted, measured at fair value through profit and loss)</b>		
Commure, Inc. (Refer note 1 below) 6,941 (March 31, 2024 : 6,941) shares of series D preferred stock	48	46
	<b>64</b>	<b>79</b>
<b>Total (non-current)</b>	<b>4,322</b>	<b>4,338</b>
<b>7.2 Investments (Current)</b>		
(Measured at fair value through profit and loss)		
Investment in liquid mutual funds units (unquoted)	5,614	4,455
<b>Total other investments</b>	<b>5,614</b>	<b>4,455</b>
(a) Aggregate carrying value of unquoted investments	<b>9,936</b>	<b>8,793</b>

Note 1 : During the year ended March 31, 2024, the Group received common stock and series D preferred stock of Commure, Inc in exchange of RX.health, Inc. series Seed-2 preferred stock on account of merger of RX.health, Inc. to Commure, Inc.



(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

(in Rupees million)

Particulars		As at March 31, 2025	As at March 31, 2024				
(in Rupees million)							
8 Trade receivables							
Trade receivables							
- Unsecured, considered good		4,161	3,825				
- Unsecured, credit impaired		12	12				
- Unbilled receivables - Unsecured, considered good		1,798	1,596				
Sub Total		5,971	5,433				
Allowances for expected credit loss		(123)	(100)				
Trade receivables (Current)		5,848	5,333				
Ageing of Trade receivables							
As at March 31, 2025							
Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	3,344	795	19	1	2	-	4,161
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	12	12
	3,344	795	19	1	2	12	4,173
Trade receivables - Unbilled							1,798
							5,971
Less: Allowances for expected credit loss							(123)
Total							5,848
As at March 31, 2024							
Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	3,230	550	10	28	6	1	3,825
(ii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	12	12
	3,230	550	10	28	6	13	3,837
Trade receivables - Unbilled							1,596
							5,433
Less: Allowances for expected credit loss							(100)
Total							5,333
9a Cash and cash equivalents							
Cash on hand			0	0			
Balance with banks							
In current accounts			2,649	812			
Total cash and cash equivalents			2,649	812			
9b Bank balance other than above							
In fixed deposit account (with original maturity of more than 3 months but less than 12 months)			234	66			
Total other bank balances			234	66			
10 Current loans							
Unsecured, considered good							
Loan to director (Refer note 29)			303	-			
Secured, considered good							
Loan to director (Refer note 29)			-	282			
Total current loans			303	282			
As at March 31, 2025							
Type of Borrower	Amount of loan outstanding	% of total Loans	Amount of loan outstanding	% of total Loans			
Loan to director	303	100%	282	100%			
Total	303	100%	282	100%			
As at March 31, 2024							
Note : Loan is given to a director on December 8, 2021. The loan along with interest will be repaid subsequent to the public offer of the Fractal Analytics Limited. The loan as at March 31, 2024 was secured against the said shares held by the director on full recourse basis at prevailing interest rate of that jurisdiction. Loan given is solely for director's own account and beneficial interest.							
11 Other financial assets							
Non-current financial assets							
Other bank deposits			9	9			
Sub total (A)			9	9			
Derivative asset			3	17			
Security deposits			180	147			
Less : Provision for doubtful balances			(2)	-			
Sub total (B)			181	164			
Total non-current financial assets			190	173			
Current financial assets							
Derivative asset			18	53			
Security deposits			18	4			
Receivables from related parties (Refer note 29)			-	5			
Other advances			1	3			
Interest accrued but not due			2	-			
Total current financial assets			39	65			
12 Other assets							
Non-Current assets							
Prepaid expenses			17	12			
Capital advances			45	-			
Total non-current assets			62	12			
Current assets							
Prepaid expenses (Refer note below)			580	403			
Contract assets (Refer note 27)			847	896			
Advances to vendors and others			62	14			
Balance with government authorities			80	88			
Less : Provision for doubtful advances			(10)	(10)			
Total current assets			1,559	1,391			

Note : Prepaid expenses includes Rs 243 million (March 31, 2024: Rs 128 million) towards planning for initial public offer and is to be shared between the Parent Company and selling shareholders.



**13 Deferred tax assets/(liabilities)**

(in Rupees million)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Significant components of deferred tax assets</b>		
<b>Deferred tax assets/(liabilities)</b>		
Business losses/ unabsorbed depreciation	385	378
Property, plant & equipment and intangible assets	68	59
Mark to market on derivatives	15	(17)
Right-of-use assets	(145)	(226)
Lease liabilities	164	224
Others*	74	61
<b>Total Deferred tax assets (net)</b>	<b>561</b>	<b>479</b>
*Others include impact for mark to market gain/loss on fair value of investments and other temporary differences		
Fair value of Associate Company	(688)	(1,016)
<b>Total Deferred tax liabilities</b>	<b>(688)</b>	<b>(1,016)</b>

**(a) Movements in deferred tax assets/(liabilities)**

(in Rupees million)								
Particulars	Mark to market on derivatives	Property, plant & equipment and intangible assets	Business losses/ unabsorbed depreciation	Fair value of Associate Company	Right-of-use assets	Lease liabilities	Others	Total
<b>At April 01, 2024</b>	<b>(17)</b>	<b>59</b>	<b>378</b>	<b>(1,016)</b>	<b>(226)</b>	<b>224</b>	<b>61</b>	<b>(537)</b>
(Charged) / Credited								
- to profit or loss	16	9	-	328	81	(60)	9	383
(Refer sub-note (a) below)								
- to other comprehensive income	16	-	-	-	-	-	-	16
- Exchange differences on translating the financial statements of foreign operations	-	-	7	-	-	-	4	11
<b>At March 31, 2025</b>	<b>15</b>	<b>68</b>	<b>385</b>	<b>(688)</b>	<b>(145)</b>	<b>164</b>	<b>74</b>	<b>(127)</b>
<b>At April 01, 2023</b>	<b>7</b>	<b>29</b>	<b>368</b>	<b>(1,016)</b>	<b>(54)</b>	<b>68</b>	<b>(19)</b>	<b>(617)</b>
(Charged) / Credited								
- to profit or loss	(13)	32	-	-	(172)	156	80	83
- to other comprehensive income	(11)	-	-	-	-	-	-	(11)
- Exchange differences on translating the financial statements of foreign operations	-	(2)	10	-	-	-	-	8
<b>At March 31, 2024</b>	<b>(17)</b>	<b>59</b>	<b>378</b>	<b>(1,016)</b>	<b>(226)</b>	<b>224</b>	<b>61</b>	<b>(537)</b>

a) During the year ended March 31, 2025, Finance Act 2024 was passed and there were amendments in the manner of calculation of long-term capital gain. Further, the Finance Act, 2024 reduced the tax rate on long term capital gain from previously 20% to 12.5% (excluding applicable surcharge and education cess thereon). Consequently to above amendments, the Company has reversed the Deferred tax liability of Rs 370 million in the year ended March 31, 2025. The Group has created additional deferred tax asset of Rs 44 million on remeasurement gain on retained interest in associate Company recorded under exceptional items.

b) For one of the foreign subsidiary, the Group has recognised deferred tax asset on unutilised losses to the extent that it believes that it will be able to generate sufficient taxable profit in the near future, based on various internal measures taken, against which unused losses and thereby such deferred tax assets can be realised. Further, no deferred tax assets has been recognised on balance tax losses and deductible temporary differences of Rs 910 million (March 31, 2024- Rs 938 million).

**(b) The tax losses of the Group will lapse in subsequent years as follows:**

(in Rupees million)		
Particulars	As at March 31, 2025	As at March 31, 2024
0 - 5 years	504	547
From 5 - 8 years	353	490
Beyond 8 years	1,200	1,778
Indefinite	3,474	2,403

**(c) Income tax expense**

This notes provides analysis of Group's income tax expense, amounts that are recognised directly in equity and how the tax expense is affected by non-deductible items. It also explains significant estimates in relation to the Group's tax position.

**Income tax expense is as follows:**

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Profit and loss</b>		
(a) Current Tax		
- For the year	531	227
- Tax adjustment for earlier year	26	98
(b) Deferred tax credit	(383)	(83)
<b>Total current tax expense</b>	<b>174</b>	<b>242</b>

**(d) Reconciliation of tax expense and the book profit computed by applying income tax rate:**

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Profit / (Loss) before tax</b>	<b>2,380</b>	<b>(305)</b>
Tax rate of Parent Company	25.17%	25.17%
<b>Computed tax expense</b>	<b>599</b>	<b>(77)</b>
<b>Adjustments:</b>		
Current year losses/utilisation of losses for which deferred tax asset is not recognised	(76)	189
Expenses not deductible for tax purpose	15	34
Tax adjustment for earlier years	18	98
Impact of different tax rate	(57)	(13)
Impact on account of changes in enacted tax rates	(370)	-
Share of loss of associate	75	41
State taxes	20	4
Others	(50)	(34)
<b>Tax expense</b>	<b>174</b>	<b>242</b>





**Fractal Analytics Limited**  
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Notes to Consolidated Financial statements as at and for year ended March 31, 2025

14 Equity share capital

Particulars	(in Rupees million)	
	As at March 31, 2025	As at March 31, 2024
<b>Authorised</b>		
389,400,000 equity shares of face value Rs. 1 each^ (March 31, 2024 : 349,200,000 equity shares of face value Rs. 1 each)	389	349
50,600,000 Series B 0.001 % Compulsorily convertible preference shares of face value Rs.1 each^ (March 31, 2024 : 38,100,000 Series B 0.001 % Compulsorily convertible preference shares of face value Rs. 1 each)	51	38
	<u>440</u>	<u>387</u>
^The authorised share capital of the Company has been increased vide Extra-ordinary general meeting resolution date October 9, 2024.		
<b>Issued share capital</b>		
26,838,408 equity shares of face value Rs. 1 (March 31, 2024 : 26,317,789 equity shares of Rs. 1 each)	27	26
4,523,604 Series B 0.001 % Compulsorily convertible preference shares of face value Rs. 1 each (March 31, 2024 : 4,523,604 Series B 0.001 % Compulsorily convertible preference shares of face value Rs. 1 each)	5	5
	<u>32</u>	<u>31</u>
<b>Subscribed and fully paid-up</b>		
26,173,550 equity shares of face value Rs. 1 each fully paid up (March 31, 2024 : 25,652,931 equity shares of Rs. 1 each fully paid up)	26	26
4,523,604 Series B 0.001 % Compulsorily convertible preference shares of face value Rs. 1 each (March 31, 2024 : 4,523,604 Series B 0.001 % Compulsorily convertible preference shares of face value Rs. 1 each)	5	5
	<u>31</u>	<u>31</u>
<b>Subscribed but not fully paid-up</b>		
664,858 equity share of face value Rs. 1 (Rs 0.5 paid up) (March 31, 2024 : 664,858 equity share of face value Rs. 1 (Rs 0.5 paid up) )	0	0
	<u>0</u>	<u>0</u>
	<u>31</u>	<u>31</u>

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	26,317,789	26	26,189,854	26
Add :- Shares issued during the year under				
- employee stock option plan	520,619	1	127,935	0
At the end of the year	<u>26,838,408</u>	<u>27</u>	<u>26,317,789</u>	<u>26</u>

(i) During the year 520,619 shares (March 31, 2024: 127,935 shares) were issued under employee stock option plan at various price (Refer note 33)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	4,523,604	5	4,523,604	5
Issued during the year	-	-	-	-
At the end of the year	<u>4,523,604</u>	<u>5</u>	<u>4,523,604</u>	<u>5</u>

(b) Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
<b>(a) Equity shares of Rs. 1 each fully paid-up held by</b>				
Quinag Bidco Limited	22.13%	5,939,620	22.57%	5,939,620
TPG Fett Holdings Pte Limited	27.84%	7,472,423	28.39%	7,472,423
Gulu Mirchandani (on behalf of GLM Family Trust)	19.73%	5,296,556	20.13%	5,296,556
Pranay Agrawal	6.33%	1,697,904	6.44%	1,696,174
Srikanth Velamakanni*	5.70%	1,529,118	5.80%	1,527,378
Chetana Kumar	4.94%	1,325,431	5.04%	1,325,431
<b>(b) Series B 0.001 % Compulsorily Convertible Preference Shares of Rs. 1 each fully paid-up held by</b>				
Quinag Bidco Limited	73.78%	3,337,505	73.78%	3,337,505
TPG Fett Holdings Pte Limited	26.22%	1,186,099	26.22%	1,186,099

\* Includes 664,858 partly paid up shares issued on private placement basis

(c) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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- (d) Rights, preferences and restrictions attached to Series B 0.001% Compulsorily Convertible Preference Shares (CCPS)
Series B 0.001% Compulsorily Convertible preference shares: All outstanding CCPS shall be converted in the ratio of 1:1 on the earlier of :
(i) 1 (one) Business Day of the expiry of 5 (five) years from the Closing Date; as applicable; or
(ii) 1 (one) Business Day prior to the date of voluntary or involuntary liquidation, winding up or dissolution of the Company, including through a shareholders' members' or creditors' voluntary winding up process or a court directed winding-up process
(iii) 1 (one) Business Day prior to the date of consummation of the sale of any Securities by the Investor to a third party in accordance with the terms of the Shareholders agreement
(iv) 1 (one) Business Day prior to the last date for the conversion of convertible instruments under applicable Laws, prior to an IPO or a QIPO (as defined in the Shareholders Agreement) in terms of the Shareholders Agreement

The CCPS shall bear a coupon rate of 0.001% per annum (calculated on the face value) at the time of conversion of the last outstanding CCPS. The CCPS shall be non-cumulative. The CCPS holder shall be entitled to participate (on an as converted basis) in any dividends payable to the holders of Equity Shares. If any CCPS are outstanding and any dividend is declared on the Equity Shares, the Company shall declare dividend on the CCPS equal to the per Equity Share dividend pro-rated to the Assumed Equity Percentage.
The Company covenants that till such time that any of the CCPS are outstanding, the Company shall not be entitled to declare any dividend on any Equity Shares in any year till such time as the dividend in relation to the CCPS has been provided for in full.

The CCPS shall not have any voting rights other than as available under the Act to preference shares. The CCPS shall rank pari passu with the Equity Shares on liquidation and shall have no liquidation preference.

- (e) Shares reserved for issued under options

Particulars	March 31, 2025 No. of shares	March 31, 2024 No. of shares
Equity shares of Rs. 1 each reserved for issue under employee stock option scheme (refer note 33)	6,240,300	6,008,873

Note - Refer (a) and (d) for conversion of CCPS

- (f) There were no shares allotted pursuant to contract without payment being received in cash or as fully paid up by way of bonus shares or any shares bought back.
- (g) No dividend is declared by the Company during the year ended March 31, 2025 and March 31, 2024.

Particulars	(in Rupees million)	
	As at March 31, 2025	As at March 31, 2024
15 Other equity		
Securities premium	12,894	12,108
Employee stock option reserve	3,309	2,880
Remeasurement of defined benefit plans	(89)	(112)
Effective portion of gains/(loss) on derivatives designated as cash flow hedge (net)	(17)	32
Other comprehensive income		
Share application money pending allotment	76	22
Exchange differences on translating the financial statements of a foreign operation	155	167
Retained earnings	1,173	(1,071)
Total other equity	17,501	14,026

Note : For movement during the year, refer consolidated statement of changes in equity.

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(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

(in Rupees million)

Particulars		As at March 31, 2025	As at March 31, 2024
16	<b>Borrowings</b>		
	<i>Non-current borrowings</i>		
	<i>(at amortised cost)</i>		
	Secured		
	- Term loan (Refer note (a) below)	2,708	2,623
	Less : Arrangement fees	(46)	(122)
	Less : Current maturities of long term debt	(85)	-
	Total secured borrowings	<u>2,577</u>	<u>2,501</u>
	<i>Current borrowings</i>		
	Secured		
	- Current maturities of long term debt - Term loan (Refer note (a) below)	85	-
	Total current borrowings	<u>85</u>	<u>-</u>
	Note :		

The Group has refinanced the existing floating rate loan through banks on September 26, 2024 amounting to USD 32 million (Rs 2,631 million).

The Group has incurred transaction cost amounting to USD 0.69 million (Rs 57 million) in respect of the said transaction which is disclosed as net from the actual proceeds and is amortised over the tenor of the loan to the Consolidated Statement of Profit and Loss. The current outstanding as on March 31, 2025 is USD 31.70 million. Given below are various terms pertaining to the term loan.

Year ended	Total	Current	Non Current	Interest rate	Duration	Repayment terms	Purpose of borrowings
March 31, 2025	2,793	85	2,708	Three month term SOFR + 3%	Last payment is due on December 26, 2026	Quarterly prepayment with no prepayment penalty	To refinance the existing borrowing from financial institution and to pay Transaction Expenses
March 31, 2024	2,623	-	2,623	Term SOFR ("Secured Overnight Financing Rate") (Cap at 1%) + 6%	Five years ending on December 21, 2026	Group is eligible to make bullet repayment for the outstanding principal amount at the end of the facility tenor without prepayment penalty	Permitted Acquisitions and other Investments permitted under the Loan Documents

**Collateral :**

(a) Pledge of charge over 100% (one hundred percent) equity shares, equivalent to 1,055,371 equity shares having face value of USD 1 (United States Dollar One) each held by the Group in its wholly owned subsidiary abroad, i.e., Fractal Analytics Inc., an entity incorporated under the laws of United States of America.

Guarantor :

The above borrowing is backed by the guarantee given by Fractal Analytics Limited.

## 17 Trade payables

**Trade payables**

- Total outstanding dues of micro enterprise and small enterprises (Refer below note)
- Total outstanding dues of creditors other than micro enterprises and small enterprises
  - Related parties (Refer note 29)
  - Others

- Total outstanding dues of micro enterprise and small enterprises (Refer below note)	102	40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (Refer note 29)	-	1
- Others	518	471
<b>Total trade payables</b>	<b>620</b>	<b>512</b>

### Dues of micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required related to micro and small enterprises. On the basis of the information and records available with the Group, following are the details of dues:

- the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;

- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

- the amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

- the amount of interest accrued and remaining unpaid at the end of each accounting year; and

- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

### Ageing of Trade payables

(in Rupees million)

As at March 31, 2025						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	26	7	-	-	-	33
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	85	45	-	-	-	130
(iii) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	7	7
<b>Total</b>	<b>111</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>170</b>
Accrued expenses						450
<b>Total</b>						<b>620</b>

## As at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	2	8	-	-	-	10
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2	32	19	-	-	53
(iii) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	7	7
<b>Total</b>	<b>4</b>	<b>40</b>	<b>19</b>	<b>-</b>	<b>7</b>	<b>70</b>
Accrued expenses						442
<b>Total</b>						<b>512</b>



**Fractal Analytics Limited**  
(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

(in Rupees million)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>18 Other financial liabilities</b>		
<b>Non-current financial liabilities</b>		
Derivative liability	20	-
Employee related obligation	430	310
<b>Total non-current financial liabilities</b>	<b>450</b>	<b>310</b>
<b>Current financial liabilities</b>		
Employee related obligation	2,446	2,135
Capital creditors	404	315
Derivative liability	61	-
Interest accrued and due	2	4
<b>Total current financial liabilities</b>	<b>2,913</b>	<b>2,454</b>
<b>19 Other liabilities</b>		
<b>Current liabilities</b>		
Unearned revenue (Refer note 27)	1,108	1,031
Contract liabilities^	112	-
Advance from customer	8	40
Statutory dues payable**	419	337
<b>Total current liabilities</b>	<b>1,647</b>	<b>1,408</b>
**Includes tax deducted at source, provident fund payable, professional taxes, etc.		
<b>20 Provisions</b>		
<b>Non-current provisions</b>		
Gratuity (Refer note 28)	188	187
<b>Total non-current provisions</b>	<b>188</b>	<b>187</b>
<b>Current provisions</b>		
Provision for employee benefits:		
Gratuity (Refer note 28)	1	2
Compensated absences (Refer note 28)	63	61
Other provisions (Refer movement below and note 26.a)	-	85
<b>Total current provisions</b>	<b>64</b>	<b>148</b>
<b>Movement of other provisions</b>		
Opening balance	85	80
Amount paid during the year	(26)	-
Provision created during the year	-	5
Provision reversed during the year	(59)	-
<b>Closing balance</b>	<b>-</b>	<b>85</b>

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Notes to Consolidated Financial statements as at and for year ended March 31, 2025

(in Rupees million)

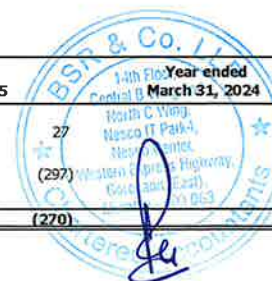
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>21 Revenue from operations</b>		
Sale of services and products (Refer note 27)	27,654	21,963
<b>Total Revenue from operations</b>	<b>27,654</b>	<b>21,963</b>
<b>22 Other income</b>		
Interest income under effective interest rate method on financial assets at amortised cost:		
- bank deposits	28	20
- Loan to directors (Refer note 29)	14	10
Interest income as per effective interest rate method for :		
- unwinding of security deposits given	13	12
Fair value gain on derivative contracts carried at fair value through profit or loss	-	50
Gains (net) on investments mandatorily measured at fair value through profit or loss	20	122
Gain on redemption/sale of financial instruments	291	163
Foreign exchange gain (net)	126	65
Miscellaneous income	16	14
<b>Total other income</b>	<b>508</b>	<b>456</b>
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus *	18,827	16,398
Contribution to provident and other funds (Refer note 28)	328	229
Gratuity (Refer note 28)	206	189
Staff welfare expense	687	554
<b>Total employee benefits expense</b>	<b>20,048</b>	<b>17,370</b>
*During the year ended March 31, 2025, the Group has accrued/received government grants amounting to Rs 49 million (March 31, 2024: Rs 76 million) from various countries on compliance of several employment-related conditions and accordingly, accounted as a credit to employee benefits expense.		
*During the year ended March 31, 2025, the Group has accrued retention bonus pursuant to acquisition amounting to Rs 293 million (March 31, 2024 : Rs 383 million) and ESOP cash bonus amounting to Rs 231 million (March 31, 2024 : Rs 242 million).		
<b>24 Finance costs</b>		
Interest on :		
- borrowings	255	313
- lease liabilities (Refer note 30)	121	41
- others	55	43
Other borrowing cost	146	48
<b>Total finance costs</b>	<b>577</b>	<b>445</b>
<b>25 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (Refer note 3)	172	262
Depreciation on right-of use assets (Refer note 4)	340	249
Amortisation on intangible assets (Refer note 6)	511	321
<b>Total depreciation and amortisation expense</b>	<b>1,023</b>	<b>832</b>
<b>26 Other expenses</b>		
Outsourced manpower expense	576	600
Legal and professional fees	523	463
Software license and maintenance expense	544	435
Travelling and conveyance expense	469	346
Cloud and communication expense	423	323
Recruitment expenses	68	33
Marketing expense	134	193
Repairs and maintenance expense (Computers and others)	105	63
Facility management expenses	48	41
Rent, rates and taxes (Refer sub-note a below)	81	94
Insurance expense	43	45
Subcontracting expense	46	30
Fair value loss (net) on derivative contracts carried at fair value through profit or loss	65	-
Provision for doubtful advances	17	9
Bad debts	23	35
Membership and subscription charges	37	57
Corporate social responsibility (Refer note 39)	7	7
Miscellaneous expenses	100	122
<b>Total other expenses</b>	<b>3,309</b>	<b>2,896</b>

Note:

(a) During the year ended March 31, 2023 the Parent Company and all the Directors of the Parent Company had received show cause notice (SCN) as to why prosecution proceedings under the Income tax Act, 1961 (Act) should not be initiated against them for delay in deposit of tax deducted at source (TDS) of Rs 405 million during FY 2019-20 (albeit the deposit of TDS was made with due interest for the delay without any intimation from the tax authorities). Detailed justification was provided against the said SCN to establish a reasonable cause for the delay in deposit of TDS. However, without acceptance/admission of guilt of offence under the provisions of the Act and to avoid litigation, the Parent Company in its capacity and on behalf of all directors, on December 7, 2022 has filed an application for compounding of offence before the tax department. As at March 31, 2024, the Group had provided Rs 85 million which was disclosed under Rent, rates and taxes.

During the current year, the Parent Company has paid the compounding charges of Rs 26 million based on intimation received from tax authorities. Further, the tax authorities issued a Compounding Order to the Parent Company and all the six Directors in office as co-accused stating that the order is intended to resolve the offence and should not be considered as an admission of guilt of offence post which no further action is required on the matter by the Parent Company or its Directors. Accordingly, the Group has written back provision of Rs 59 million during the year.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>26.1 Exceptional Items</b>		
Impairment in value of intangible assets under development (Refer note 6.1)	27	-
Re-measurement (gain)/loss of retained interest in associate (Refer note 36)	(297)	55
	<b>(270)</b>	<b>55</b>



# Fractal Analytics Limited

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## Notes to Consolidated Financial statements as at and for year ended March 31, 2025

### 27 Revenue from contracts with customers (clients)

The Group disaggregates revenue from contracts with clients by nature of services.

Revenue disaggregation by nature of services is as follows:

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Analytical services	27,010	21,721
Subscriptions/License fees	644	242
<b>Total</b>	<b>27,654</b>	<b>21,963</b>

The billing schedules agreed with clients include periodic performance-based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time range for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to client typically involving time and material, outcome based and event based contracts.

The Group has applied practical expedient as per paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Changes in contract assets are as follows:

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the year	896	555
Revenue recognized during the year	7,969	6,417
Invoices raised during the year	(8,072)	(6,084)
Others	54	8
<b>Balance at the end of the year</b>	<b>847</b>	<b>896</b>

Changes in unearned revenue are as follows:

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance at the beginning of the year	1,031	868
Revenue recognized that was included in the unearned balance at the beginning of the year	(645)	(410)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	759	562
Others	(37)	11
<b>Balance at the end of the year</b>	<b>1,108</b>	<b>1,031</b>

Reconciliation of revenue recognized with the contracted price is as follows:

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Contracted price	28,013	22,221
Reductions towards variable consideration components	(359)	(258)
<b>Revenue recognized</b>	<b>27,654</b>	<b>21,963</b>

Note : Variable consideration includes volume discount / service credit to clients.

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**28 Employee benefits**

The Group contributes to the following post-employment defined contribution plan and defined benefit plans in India and United States of America.

**(a) Defined contribution plan**

The Group entities in India have a defined contribution plan in respect of provident fund. Contributions are made to Employee's provident fund organisation which is the provident fund authority in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. One of the group subsidiary contributes to 401K plan for its employees in United States of America with effect from April 01, 2024. The obligation of the Group is limited to the amount contributed and it has neither further contractual nor any constructive obligation.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Employer's contribution to provident and other funds	328	229

Included in 'Contribution to provident and other funds under employee benefits expense (Refer Note 23)

**(b) Compensated absences**

Liability under Compensated absences pertains to leave balances in subsidiary company and is disclosed under current provisions. Below table summarizes the expense incurred in respective years :

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Compensated absence expense	24	42

**(c) Defined benefit plans**

**Gratuity:**

The Group entities in India provide for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan with respect to Parent Company.

Key assumptions used for actuarial valuation by an Independent actuary under the Projected Unit Credit Method are as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.90%	7.15%
Future salary increases	9.00%	9.00%
<b>Attrition rate</b>		
Based on Completed Years of service		
Up to 2 years	7.00%	10.00%
3 - 4 years	10.00%	6.00%
Above 4 years	2.00%	2.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate -100%	Indian Assured Lives Mortality (2012-14) Ultimate - 100%

**Notes:**

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

**a. The amounts recognised in the consolidated balance sheet and movements in the net defined benefit obligation (DBO) are as follows :**

Change in the present value of obligation	As at March 31, 2025		As at March 31, 2024	
	Funded Plan*	Unfunded Plan	Funded Plan*	Unfunded Plan
Present value of obligation at the beginning of the year	553	32	383	47
Interest cost	40	2	29	2
Current service cost	184	8	173	8
Transfer in/(out)	8	(8)	20	(20)
Benefits paid	(29)	(3)	(33)	(0)
<b>Remeasurement recognised in other comprehensive income due to</b>				
Actuarial loss/(gain) arising from change in financial assumptions	35	1	(26)	(0)
Actuarial loss/(gain) arising on account of experience changes	(33)	(1)	6	(5)
Actuarial loss arising on account of demographical assumptions	(19)	(1)	1	0
<b>Present value of obligation at the end of the year</b>	<b>739</b>	<b>30</b>	<b>553</b>	<b>32</b>

\*The Group has invested the amounts in pension fund with Life insurance corporation of India.



**b. The amounts recognised in the consolidated balance sheet and movements in the fair value of plan assets over the year are as follows :**

(in Rupees million)		
Change in the fair value of plan assets	As at March 31, 2025	As at March 31, 2024
<b>Fair value of plan assets at the beginning of the year ended</b>	396	311
Expected returns on plan assets	(2)	(1)
Interest on plan assets	28	23
Contributions made by the Company	158	63
<b>Fair value of plan assets at the end of the year ended</b>	<b>580</b>	<b>396</b>

(in Rupees million)		
Reconciliation of present value of defined benefit obligation and the fair value of assets	As at March 31, 2025	As at March 31, 2024
Present value of obligation at the end of the year	769	585
Fair value of plan assets as at the end of the year	(580)	(396)
<b>Net liability in Consolidated Balance Sheet</b>	<b>189</b>	<b>189</b>
- liability of funded plan	159	157
- liability of unfunded plan	30	32

(in Rupees million)		
Amount recognised in the Consolidated Statement of Profit and Loss	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	192	181
Interest cost (net)	14	8
<b>Total expense recognized in the Consolidated Statement of Profit and Loss</b>	<b>206</b>	<b>189</b>
- Total expense recognized for obligation with funded plan	196	179
- Total expense recognized for obligation with unfunded plan	10	10

(in Rupees million)		
Amount recognised in other comprehensive income	Year ended March 31, 2025	Year ended March 31, 2024
<b>Remeasurements during the year due to</b>		
Changes in financial assumptions	36	(26)
Changes in demographic assumptions	(20)	1
Experience adjustments	(34)	1
Expected return on plan assets	2	1
<b>Amount recognised in other comprehensive income during the year</b>	<b>(16)</b>	<b>(23)</b>
- Total expense/(income) recognized for obligation with funded plan	(15)	(18)
- Total expense/(income) recognized for obligation with unfunded plan	(1)	(5)

**c. The sensitivity of significant assumptions used for valuation of defined benefit obligation is as follows :**

(in Rupees million)		
Closing liability on percentage point increase / decrease in	As at March 31, 2025	As at March 31, 2024
Discount rate +100 basis points	(641)	(484)
Discount rate -100 basis points	931	710
Salary increase rate +100 basis points	842	654
Salary increase rate -100 basis points	(689)	(500)
Attrition Rate +50%	(743)	(566)
Attrition Rate -50%	796	602

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous year.

**d. Maturity profile of defined benefit obligation :**

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity Plan	20 Years	20 Years

**e. Expected future benefit payments on undiscounted basis**

(in Rupees million)		
Expected cash flows for following year	As at March 31, 2025	As at March 31, 2024
Expected total benefit payments in next		
1 year	15	9
Year 2 - 5 years	83	62
6 - 10 years	174	108
More than 10 years	3,234	2,782

**f. Funding arrangements and Funding Policy**

The Parent Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Parent Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

**g. Expected contribution during the next annual reporting period. The Group's best estimate of contribution during the next year is Rs 159 million.**

**h. Interest rate risk**

The plan is defined benefit in nature which is sponsored by the parent Company and hence it under writes all the risk pertaining to the plan. In particular, this exposes the parent Company to the actual risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lumpsum in nature, the plan is not subject to any longevity risks.





**Fractal Analytics Limited**  
(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

**29 Related party disclosure**

**(a) Related parties**

Sr. No	Name of the party	Nature of relationship
1	Quinag Bidco Limited	Company having significant influence
2	TPG Fett Holdings Pte. Limited	Company having significant influence
3	Qure.ai Technologies Private Limited	Associate Company

**(b) Key managerial personnel**

Sr. No	Particulars	Nature of relationship
1	Mr. Srikanth Velamakanni ^	Whole-time Director
2	Mr. Pranay Agrawal ^	Non- Executive Director
3	Mr. Gulu Mirchandani (upto April 26, 2024)	Non- Executive Director
4	Mr. Sasha Gulu Mirchandani	Additional Director
5	Mr. Rohan Haldea	Non- Executive Director
6	Mr. Anurag Sud (upto March 27, 2025)	Non- Executive Director
7	Mr. Gavin Patterson^	Non- Executive Director
8	Mr. Puneet Bhatia	Non- Executive Director
9	Mr. Vivek Mohan	Non- Executive Director
10	Ms. Karen Ann Terrell**	Non- Executive and Independent Director
11	Ms. Neelam Dhawan**	Non- Executive and Independent Director
12	Ms. Janaki Akella (w.e.f August 1, 2024)	Non- Executive and Independent Director
13	Ms. Somya Agarwal^	Company Secretary

**(c) Enterprise in which Director is interested**

Sr. No	Particulars
1	Tario Partners LLP

**(d) Transactions and balances**

(in Rupees million)			
Sr. No	Nature of Transaction	Year ended March 31, 2025	Year ended March 31, 2024
1	<b>Managerial remuneration</b> Srikanth Velamakanni Pranay Agrawal Somya Agarwal	74 79 11	57 61 10
2	<b>Interest Income</b> Pranay Agrawal	14	10
3	<b>Loan given</b> Pranay Agrawal	-	8
4	<b>Consulting services</b> Tario Partners LLP	10	10
5	<b>Repayment of loan</b> Pranay Agrawal	-	8
6	<b>Expenses incurred on behalf of associate company</b> Qure.ai Technologies Private Limited	-	8
7	<b>Reimbursement of expense</b> Qure.ai Technologies Private Limited	7	-

Sr. No	Balances	As at March 31, 2025	As at March 31, 2024
1	<b>Loans including interest accrued</b> Pranay Agrawal	303	282
2	<b>Other receivables</b> Qure.ai Technologies Private Limited		5
3	<b>Trade payables (including provisions)</b> Qure.ai Technologies Private Limited		1

\*\*The remuneration fees paid to non-executive directors amounting to Rs 23 million and Rs 16 million for the year ended March 31, 2025 and March 31, 2024 respectively.

^Total employee stock option expense for the year ended March 31, 2025 and March 31, 2024 includes a charge of Rs 64 million and Rs 106 million, respectively, towards key management personnel.

Refer note 12 with respect to initial public offer expenses.

Key managerial personnel who are under the employment of the Parent Company are entitled to post employment benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the entity as a whole and hence excluded.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**Notes to Consolidated Financial statements as at and for year ended March 31, 2025**

**30 Leases**

**Group as lessee**

The Group entities have entered into cancellable leasing arrangement in respect of office premises and vehicles for a period of 2-5 years which are renewable on mutual consent.

**Ind AS 116 - Lease liabilities**

Particulars	(in Rupees million)	
	As at March 31, 2025	As at March 31, 2024
Non-current	1,272	913
Current	356	218
<b>Total</b>	<b>1,628</b>	<b>1,131</b>

**(i) Movement in Lease Liabilities:**

Particulars	(in Rupees million)	
	As at March 31, 2025	As at March 31, 2024
Opening Balance	1,131	516
Add: Additions on account of new leases	743	885
Add: Finance cost accrued during the year	121	41
Less: Termination/cancellation	(1)	(2)
Add: Exchange differences on translating the financial statements of foreign operations	5	4
Less: Payment of Lease liabilities	(371)	(313)
<b>Closing Balance</b>	<b>1,628</b>	<b>1,131</b>

**(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:**

Particulars	(in Rupees million)	
	As at March 31, 2025	As at March 31, 2024
Payable within one year	500	317
Payable later than one year and not later than five years	1,503	1,084

**(iii) Following amounts are recognised in the Consolidated Statement of Profit and Loss**

Particulars	(in Rupees million)	
	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on Right of use assets	340	249
Interest expense on lease liabilities	121	41
Expense relating to low value assets/short term leases (included in other expense)	130	80

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

## 31 Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value - those include cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities.

(in Rupees million)			
Fair value through profit and loss (FVTPL)	Level	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
Investments (Refer note a below)	2	5,614	4,455
Investments (Refer note b below)	3	64	79
Derivative asset	2	5	27
<b>Total assets</b>		<b>5,683</b>	<b>4,561</b>
<b>Liabilities</b>			
Derivative liability	2	44	-
<b>Total liabilities</b>		<b>44</b>	<b>-</b>

(in Rupees million)			
Fair value through other comprehensive income	Level	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
Derivative asset	2	16	43
<b>Total assets</b>		<b>16</b>	<b>43</b>
<b>Liabilities</b>			
Derivative liability	2	37	-
<b>Total liabilities</b>		<b>37</b>	<b>-</b>

(in Rupees million)			
Amortised cost		As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
Trade receivables		5,848	5,333
Cash and cash equivalents		2,649	812
Bank balance other than above		243	75
Loans		303	282
Other financial assets		199	159
<b>Total assets</b>		<b>9,242</b>	<b>6,661</b>
<b>Liabilities</b>			
Borrowings		2,662	2,501
Trade payables		620	512
Other financial liabilities		3,282	2,764
<b>Total liabilities</b>		<b>6,564</b>	<b>5,777</b>

Note: Carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and other financial liabilities as at year ended March 31, 2025 and year ended March 31, 2024 approximate the fair value.

(a) Valuation technique : Fair value of investments and derivative assets/liabilities is considered based on the valuation quotes received from mutual fund house for investments and bankers for derivative instruments which are considered under level 2.

(b) Reconciliation of fair value measurement of the investment categorised at level 3:

(in Rupees million)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At fair value through profit and loss</b>		
Opening Balance	79	12
Addition during the year	15	0
Fair valuation (loss)/gain of financial instruments	(33)	67
Exchange differences on translating the financial statements of foreign operations	3	-
<b>Closing Balance</b>	<b>64</b>	<b>79</b>

Sensitivity of level 3 financial instrument's fair value to changes in significant unobservable inputs (price per share) used in their fair valuation:

(in Rupees million)		
Particulars	Impact on profit after tax and equity	
	As at March 31, 2025	As at March 31, 2024
<b>Level 3 Investments</b>		
- Increase in per share price by 5%	2	3
- Decrease in per share price by 5%	(2)	(3)

Valuation of investments is determined basis transaction price determined acquisition value/independent valuation report.

### Note:

There are no transfers between any of these levels during the current and previous year.

### 32 Financial risk management framework

The Parent Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Additionally, the Board for each Group entity is responsible for developing and monitoring the risk management policies. The Board holds regular meetings on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and each Company's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents and other balances with banks. None of the financial instruments of the Company result in material concentration of credit risk.

#### Cash and cash equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Group generally keep the funds in the banks with high credit ratings, accordingly the Group considers that the related credit risk is minimal.

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness. Outstanding customer receivables are regularly monitored.

The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The Group's exposure to customers is diversified and one customer contributes to more than 10% of outstanding trade receivables (including unbilled receivables) as at March 31, 2025 (two customers as at March 31, 2024).

The movement in the allowance for expected credit loss in respect of trade receivables is as follows:

Particulars	(in Rupees million)	
	March 31, 2025	March 31, 2024
Balance at the beginning of the year	66	66
Movement during the year	3	-
Exchange differences on translating the financial statements of foreign operation	0	0
<b>Balance at the end of the year</b>	<b>69</b>	<b>66</b>

#### Loans and other financial assets

Loans and other financial assets mainly consists of security deposits and loan to related party. The security deposits pertain to rent deposits given to lessors. The Company does not expect any losses from non performance by these parties. Loans to related party is secured, accordingly the Group considers that the related credit risk is low.

#### Investments

Investments primarily include investment in liquid mutual fund units with high credit ratings assigned by external credit rating agencies, accordingly the Group considers that the related credit risk is low.

#### Derivatives

The derivatives are entered into with banks with good credit ratings.

#### b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Group has access to undrawn revolving credit facility as at March 31, 2025 amounting to USD 31 million (USD 28 million as at March 31, 2024) which could be used for the working capital needs as and when required.

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**32 Financial risk management framework (continued)**

**Maturities of financial liabilities**

The below table analyses the Group's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows.

Particulars	Carrying amount	(in Rupees million)		
		Undiscounted amounts		
		<12months	1 - 2 years	More than 2 years
<b>As at March 31, 2025</b>				
<b>Non derivative financial instruments</b>				
Trade payables	620	620	-	-
Other financial liabilities	3,282	2,852	430	-
Lease liabilities	1,628	500	485	1,018
Borrowings	2,662	85	2,623	-
<b>Derivative financial instruments</b>				
Other financial liabilities	81	61	20	-
<b>As at March 31, 2024</b>				
<b>Non derivative financial instruments</b>				
Trade payables	512	512	-	-
Other financial liabilities	2,764	2,454	310	-
Lease liabilities	1,131	317	277	807
Borrowings	2,501	-	-	2,623

**(c) Market risk**

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – that will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

**(i) Currency risk**

The Group is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the company's functional currency. The Group ensures that the net exposure is kept to an acceptable level.

**Exposure to currency risk**

The Group's exposure to foreign currency risk at the end of the reporting year expressed in INR, is as follows:

**As at March 31, 2025**

AS at March 31, 2019

(in Rupees million)

Particulars	USD	EUR	GBP	Others
<b>Financial assets</b>				
Cash and cash equivalents	0	0	0	0
Trade receivables	7,983	476	24	61
<b>Net exposure to foreign currency (assets)</b>	<b>7,983</b>	<b>476</b>	<b>24</b>	<b>61</b>
<b>Financial liabilities</b>				
Trade payables	5	-	-	-
<b>Net exposure to foreign currency (liabilities)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure to foreign currency</b>	<b>7,978</b>	<b>476</b>	<b>24</b>	<b>61</b>

**As at March 31, 2024**

AS at March 31, 2024

(in Rupees million)

Particulars	USD	EUR	GBP	Others
<b>Financial assets</b>				
Cash and cash equivalents	0	0	0	0
Trade receivables	5,970	704	17	105
<b>Net exposure to foreign currency (assets)</b>	<b>5,970</b>	<b>704</b>	<b>17</b>	<b>105</b>
<b>Financial liabilities</b>				
Trade payables	38	1	-	-
Other financial liabilities	3	-	-	-
<b>Net exposure to foreign currency (liabilities)</b>	<b>41</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Net exposure to foreign currency</b>	<b>5,929</b>	<b>703</b>	<b>17</b>	<b>105</b>

**Sensitivity analysis of currency risk**

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at year ended March 31, 2025 and year ended March 31, 2024 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases.

Particulars	(in Rupees million)	
	Year ended March 31, 2025	Year ended March 31, 2024
<b>USD</b>		
- Increase by 5%	299	222
- Decrease by 5%	(299)	(222)
<b>EUR</b>		
- Increase by 5%	18	26
- Decrease by 5%	(18)	(26)
<b>GBP</b>		
- Increase by 5%	1	1
- Decrease by 5%	(1)	(1)
<b>Others</b>		
- Increase by 5%	2	4
- Decrease by 5%	(2)	(4)





**32 Financial risk management framework (continued)**

**Outstanding Derivative contracts**

The Group hedges exposures to changes in foreign currency through currency forwards and options. The counterparty for these contracts is a bank. Contracts are valued at fair value through profit and loss and through other comprehensive income based on quotes received from the counter party.

The following table gives details in respect of outstanding hedge contracts:

(in Rupees million)

Particulars	As at March 31, 2025		
	Notional amount of contracts (in million)	Notional amount of contracts (Rs in million)	Average strike price
(fair valuation through profit and loss)			
USD	50	4,231	85.48
EUR	5	459	92.55
(fair valuation through other comprehensive income)			
USD	68	5,770	85.48
EUR	8	782	92.55

(in Rupees million)

Particulars	As at March 31, 2024		
	Notional amount of contracts (in million)	Notional amount of contracts (Rs in million)	Average strike price
(fair valuation through profit and loss)			
USD	17	1,376	83.41
EUR	-	-	-
(fair valuation through other comprehensive income)			
USD	61	5,089	83.41
EUR	7	603	89.99

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward and currency options. As at March 31, 2024 and as at March 31, 2025, the notional amount of outstanding contracts aggregated to Nil and Rs 3,621 million respectively, and the respective fair value of these contracts have a gain of Nil and Rs 27 million respectively.

Exchange fair value gain as at March 31, 2024 of Rs 27 million on foreign exchange forward and currency options contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss and Exchange fair value gain of Rs 12 million on foreign exchange forward and currency options that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the year ended March 31, 2025.

**Sensitivity analysis of Outstanding derivative contracts**

A reasonably possible strengthening (weakening) of the Indian Rupee against USD and EUR currencies would have affected the measurement of financial instruments denominated in a foreign currency profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(in Rupees million)

Particulars	Impact on profit after tax and equity	
	Year ended March 31, 2025	Year ended March 31, 2024
(fair valuation through profit and loss)		
USD		
- Increase by 5%	158	51
- Decrease by 5%	(158)	(51)
EUR		
- Increase by 5%	17	-
- Decrease by 5%	(17)	-
(fair valuation through other comprehensive income)		
USD		
- Increase by 5%	216	190
- Decrease by 5%	(216)	(190)
EUR		
- Increase by 5%	29	23
- Decrease by 5%	(29)	(23)



**32 Financial risk management framework (continued)**

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates or change in interest rate on account of non compliance of covenants on borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

**Exposure to interest rate risk**

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group is exposed to interest rate risk on the borrowing outstanding in the books at the end of each reporting year pursuant to movement in Term SOFR/LIBOR. The interest reset period or the amortization schedule is not fixed under this credit facility and hence the same has not been hedged.

**Sensitivity analysis**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit after tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(in Rupees million)	
	Impact on profit after tax and equity Year ended March 31, 2025	Year ended March 31, 2024
Change in Term SOFR/LIBOR		
- Increase by 1%	(20)	(20)
- Decrease by 1%	20	20

**(iii) Capital management**

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

Net gearing ratio at the end of the reporting year is as follows:

Particulars	(in Rupees million)	
	As at March 31, 2025	As at March 31, 2024
Borrowings	2,662	2,501
Less : Cash and cash equivalents	(2,649)	(812)
Less : Other bank balances	(243)	(75)
<b>Net Debt (A)</b>	<b>(230)</b>	<b>1,614</b>
<b>Total Equity (B)</b>	<b>17,654</b>	<b>14,199</b>
<b>Net Gearing Ratio (A/B)</b>	<b>-</b>	<b>0.11</b>

Investment in liquid mutual funds is not considered for computation of net debt.

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Notes to Consolidated Financial statements as at and for year ended March 31, 2025

33 Employee Stock Options Scheme (ESOP)

(a) The expense recognised for employee services received during the year is shown in the following table:

Particulars	(in Rupees million)	
	Year ended March 31, 2025	Year ended March 31, 2024
Employee Stock Options Scheme (Refer note b)	271	641
Management Stock Options Scheme (Refer note c)	523	307
Employee Stock Options Scheme expense pertaining to subsidiaries*	4	15
<b>Total</b>	<b>798</b>	<b>963</b>

\*This expense pertains to ESOP of subsidiary companies and expense has been recognised using black-scholes model as per the terms of the respective plans.

(b) Employee Stock Options Scheme

The Company has granted options under Fractal Employees Stock Option Plan (ESOP) to its employees which was approved by its Board and Shareholders and further amended in line with the provisions of Companies Act, 2013. Pursuant to the Plan, the Parent Company has issued grants to its various employees from time to time from financial year ended March 31, 2008 to year ended March 31, 2025. These options vest over the period of 1-4 years from the grant date and are exercisable within 10 years from vesting date for 2007 scheme and are exercisable within 10 years from grant date for 2019 scheme. In the case of resignation of the employee, the vested grants lapse (if not exercised) after 60 days from the date of resignation from service. Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The employee compensation expense for the year is determined on fair value basis.

Movement of Options Granted with Weighted Average Exercise Price (WAEF)

Particulars	March 31, 2025		March 31, 2024	
	Nos	WAEF	Nos	WAEF
<b>Options outstanding at the beginning of the year</b>	<b>2,496,131</b>	<b>1,078</b>	<b>2,597,381</b>	<b>952</b>
Options granted during the year	945,300	1,712	220,650	2,270
Options lapsed during the year	(129,640)	1,529	(202,139)	1,021
Options settled/cancelled/expired during the year	-	-	(100)	846
Options revived during the year	525	2,202	-	-
Options exercised during the year	(416,628)	810	(119,661)	621
<b>Options outstanding at the end of the year</b>	<b>2,495,688</b>	<b>1,239</b>	<b>2,496,131</b>	<b>1,078</b>
<b>Options exercisable at the end of the year</b>	<b>1,391,967</b>	<b>967</b>	<b>1,352,786</b>	<b>850</b>

^Vested options have been revived for two employees vide Circular Resolution No: 04/2024-25/NRC dated July 16, 2024 and 04/2024-25/NRC dated September 10, 2024.

The options granted under the above Scheme, shall vest in graded manner over a period of 1-4 years. Each option will entitle the participant to one equity share.

The weighted average fair values of the options granted during the year ended March 31, 2025 is Rs 1,294 (year ended March 31, 2024 : Rs 933).

The weighted average stock price of the options granted during the year ended March 31, 2025 is Rs 1,712 (year ended March 31, 2024 : Rs 2,270).

Weighted average remaining contractual life (years) of the options based on the exercise price :

Exercise Price	1	40*	279.81	595	610	846	2,270	3,128
No. of options outstanding	-	4,025	95,050	24,500	15,000	1,462,599	659,824	60,066
Weighted average remaining contractual life (in years)	-	0.05	4.14	4.27	6.26	7.34	8.79	7.12

\*Time limit for vested options have been extended for basis board approval.

The fair valuation of options has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.



Notes to Consolidated Financial statements as at and for year ended March 31, 2025

33 Employee Stock Options Scheme (ESOP) (continued)

The key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant for respective years are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Risk Free Rate	5.45 % - 9.19 %	5.45 % - 9.19 %
Option Life (Based on Simplified Average Method)	5 to 14 years	5 to 14 years
Expected Volatility*	9.76 %	9.76 %
Expected Growth in Dividend	- 63.91 %	- 63.91 %
	0%	0%

\*Expected volatility during the expected term of the options is based on historical volatility of the observed market price of the publicly traded equity shares of comparable companies during the period equivalent to the expected term of the options.

(c) Management Stock Options Scheme

The Company has granted stock option under its 'Employee Stock Option Plan (ESOP) Time/Performance Based Management Incentive Plan (MIP) 2019' to its employees which was approved by its Board and Shareholders. Pursuant to the Plan, the Company has issued grants to its various employees from time to time during the year ended March 31, 2025. Of these options, time based options will vest over the period of 1-4 years from the grant date, whereas performance based options will vest over satisfaction of milestones stipulated in performance based management plan. These MIP's are exercisable within 10 years from grant date. In the case of termination of employment without cause or resignation for good reason of the management personnel the vested grant lapses (if not exercised) after 3 months from the date of resignation from service. Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The management personnel compensation expense for the year is determined on fair value basis.

Movement of Options Granted with Weighted Average Exercise Price (WAEPP)

Particulars	Time based March 31, 2025		Performance based March 31, 2025		Time based As at March 31, 2024		Performance based As at March 31, 2024	
	No. of options	WAEPP	No. of options	WAEPP	No. of options	WAEPP	No. of options	WAEPP
Options outstanding at the beginning of the year	1,007,279	1,029	2,029,338	1,016	1,060,602	1,055	2,129,772	1,044
Options granted during the year	(6,063)	-	(12,030)	1,202	(45,049)	1,676	(100,434)	1,598
Options lapsed during the year	-	924	-	-	-	-	-	-
Options settled/cancelled during the year	-	-	-	-	-	-	-	-
Options exercised during the year	(103,991)	1,054	-	-	(8,274)	880	-	-
Options outstanding at the end of the year	897,225	1,027	2,017,308	1,015	1,007,279	1,029	2,029,338	1,016
Options exercisable at the end of the year	869,266	1,018	-	-	655,513	1,024	-	-

The options granted under the above Scheme, shall vest in graded manner over a period of 1-4 years. Each option will entitle the participant to one equity share.

The weighted average fair values of the options granted during the year ended March 31, 2025 is Rs Nil (for the year ended March 31, 2024 : Nil).

The weighted average stock price of the options granted during the year ended March 31, 2025 is Rs Nil (for the year ended March 31, 2024 : Nil).

The fair valuation of option has been done by an independent firm of Chartered Accountants on the date of grant using the Binomial Model.

Weighted average remaining contractual life (years) of the options based on the exercise price :

Exercise Price	846	2,270
No. of options outstanding	2,561,246	353,287
Weighted average remaining contractual life (in years)*	6.77	6.97

\*Includes remaining contractual life of both time based and performance based MSOPs

The key assumptions for Binomial Model for calculating fair value as on the date of grant for respective year ended are as follows:.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Risk Free Rate	5.75% to 7.13%	5.75% to 7.13%
Option Life	5 years	5 years
(Based on Simplified Average Method)	19.98% -39.76%	19.98% -39.76%
Expected Volatility*	0%	0%
Expected Growth in Dividend	0%	0%

\*Expected volatility during the expected term of the options is based on historical volatility of the observed market price of the publicly traded equity shares of comparable companies during the period equivalent to the expected term of the options.



### 34 Operating Segment

#### Basis of segmentation

The Group's segments are reflected based on principal business activities carried on by the Group. The Group's businesses are as under:

1) Fractal.ai segment leverage core competencies in AI, engineering, design, along with deep domain expertise and are complemented with our functional capabilities. The Group leverages these competencies to provide bespoke AI consulting services and AI products, as a part of the Fractal.ai segment.

In addition, the Group sets up proprietary AI businesses to leverage the growing maturity of certain AI products and expand their addressable market beyond our target set of Must Win Clients and specific geographies.

2) Fractal alpha segment is focused on incubated and acquired Intellectual property solutions which includes Asper.ai, Flyfish.ai, Analytics Vidhya, Theremin and Eugenie. These pre-built AI products, designed to address both horizontal cross-industry and vertical industry-specific use cases are easy-to-use and can be efficiently deployed by clients with limited implementation efforts or customization.

During the year ended March 31, 2024, the Group has reclassified Crux.ai and Senseforth.ai from Alpha segment to Fractal.ai as the Group is building and strengthening its Gen AI offerings to its clients and considers these products to augment the offerings at Fractal.ai segment via Fractal.ai's Go-to-market (GTM) strategy resulting into an increase in buying centers for clients beyond traditional data analytical services. The Chief executive officer of the Group has been identified as Chief Operating Decision Maker (CODM) who allocates the resources based on analysis of various performance indicators of the Group as disclosed for the above segment. The CODM also expects the change will bring in synergies between the Crux.ai and Senseforth.ai teams and Fractal.ai teams in terms of cost and efficiency.

While Fractal.ai and Fractal Alpha are distinct segments of the Fractal Group, both segments contribute collaboratively to create solutions with both product and services in their scope to solve business problems of clients and cater to both the AI services and software markets.

#### Geographical information

The Group's operations are majorly based in America, Europe and APAC & Others.

#### Segment accounting policies

Segment accounting policies are in line with accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting :

- i) Segment revenue includes income directly identifiable with the segments.
- ii) Segment result is derived after deducting employee related expenses, employee stock option expense and other expenses from segment revenue. Expenses and Incomes that are directly identifiable with the segments are considered for determining the segment result.
- iii) Expenses and Income which relate to the Group as a whole and not allocable to segments are included under "Unallocated".
- vi) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

#### Summarised segment information for the year ended March 31, 2025 and for the year ended March 31, 2024 is as follows:

(in Rupees million)

March 31, 2025	Particulars	Fractal.ai	Fractal alpha	Unallocated	Intersegment elimination	Total
	Revenue from operations	27,037	644	-	(27)	27,654
	Segment result before employee stock option cost and retention bonus pursuant to acquisition*	5,084	(257)	(6)	-	4,821
	Segment result	3,788	(283)	(6)	-	3,499
	Other income	-	-	508	-	508
	Finance cost	-	-	(577)	-	(577)
	Depreciation and amortisation expense	-	-	(1,023)	-	(1,023)
	Share of (loss) of associate	-	-	(297)	-	(297)
	Exceptional items	-	-	270	-	270
	<b>Profit before tax</b>					<b>2,380</b>

\*Employee stock option plan cost of Rs 1,019 million and Rs 10 million for Fractal.ai and Fractal alpha and retention bonus pursuant to acquisition of Rs 277 million and Rs 16 million respectively.

March 31, 2024	Particulars	Fractal.ai	Fractal.alpha	Unallocated	Intersegment elimination	Total
	Revenue from operations	21,615	365	-	(17)	21,963
	Segment result before employee stock option cost and retention bonus pursuant to acquisition	2,769	(443)	(5)	-	2,321
	Segment result	1,233	(494)	(5)	-	734
	Other income	-	-	456	-	456
	Finance cost	-	-	(445)	-	(445)
	Depreciation and amortisation	-	-	(832)	-	(832)
	Share of (loss) of associate	-	-	(163)	-	(163)
	Exceptional items	-	-	(55)	-	(55)
	<b>Profit before tax</b>					<b>(305)</b>

\*Employee stock option plan cost of Rs 1,190 million and Rs 15 million for Fractal.ai and Fractal alpha segment and retention bonus pursuant to acquisition of Rs 347 million and Rs 36 million respectively.





**Fractal Analytics Limited**  
(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

**34 Operating Segment (continued)**

	(in Rupees million)	
	March 31, 2025	March 31, 2024
<b>Segment Asset</b>		
Fractal.ai	15,857	12,714
Fractal alpha	5,019	5,143
Unallocated	7,700	6,063
	<b>28,576</b>	<b>23,920</b>
<b>Segment Liabilities</b>		
Fractal.ai	5,553	5,910
Fractal alpha	1,079	178
Unallocated	4,290	3,633
	<b>10,922</b>	<b>9,721</b>
<b>Capital expenditure</b>		
Fractal.ai	764	462
Fractal alpha	120	91
Unallocated	771	956
	<b>1,655</b>	<b>1,509</b>

**Geographical disclosure**

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows :

	(in Rupees million)	
Country	Year ended March 31, 2025	Year ended March 31, 2024
America		
- United States of America	18,022	13,578
- Other countries	333	422
Europe	4,841	4,303
APAC & Others		
- India	2,318	1,899
- Other countries	2,140	1,761
	<b>27,654</b>	<b>21,963</b>

Geographical non-current assets (Comprising of property, plant and equipment, right-of-use assets, goodwill, other intangible assets, income tax assets and other non-current assets) are allocated based on the location of the assets.

**Information regarding geographical non-current assets is as follows:**

	(in Rupees million)	
Country	As at March 31, 2025	Year ended March 31, 2024
America		
- United States of America	4,174	4,068
Europe	7	19
APAC & Others		
- India	3,048	2,439
- Other countries	1	0
<b>Total</b>	<b>7,230</b>	<b>6,526</b>

**Disclosure of top customers having sales more than 10 % of the revenue from operation**

	(in Rupees million)	
	% of Total Revenue	
Customer	As at March 31, 2025	Year ended March 31, 2024
(under Fractal.ai Segment)		
Customer A	10%	12%



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

## 35 Particulars of subsidiaries considered in the preparation of the Consolidated financial statements:

Subsidiaries	Country of incorporation/Place of business	As at March 31, 2025	As at March 31, 2024
<b>(a) Subsidiaries directly held</b>			
Fractal Analytics Inc, USA	United States of America	100.00%	100.00%
Fractal Private Limited, Singapore	Singapore	100.00%	100.00%
Cuddle Artificial Intelligence Private Limited*	India	100.00%	100.00%
Final Mile Consultants Private Limited	India	100.00%	100.00%
Theremin AI Solutions Private Limited*	India	71.03%	97.30%
Eugenie Technologies Private Limited	India	100.00%	100.00%
Senseforth AI Research Private Limited	India	100.00%	100.00%
Analytics Vidya Educon Private Limited	India	55.92%	55.92%
Neal Analytics Services Private Limited	India	100.00%	100.00%
Fractal Alpha Private Limited	India	100.00%	100.00%
<b>(b) Subsidiaries indirectly held</b>			
Fractal Analytics UK Limited	United Kingdom	100.00%	100.00%
Fractal Analytics (Switzerland) GmbH	Switzerland	100.00%	100.00%
Fractal Analytics (Canada) Inc.	Canada	100.00%	100.00%
Fractal Analysis Germany GmbH (Germany)	Germany	100.00%	100.00%
Fractal Analytics Netherland B.V (Netherlands)	Netherlands	100.00%	100.00%
Cuddle.ai Inc.*^	United States of America	-	100.00%
Limited Liability Company Symphony (Ukraine)	Ukraine	100.00%	100.00%
Final Mile Consulting LLC	United States of America	100.00%	100.00%
Fractal Analytics Sweden AB	Sweden	100.00%	100.00%
Fractal Analytics (Shanghai) Limited	China	100.00%	100.00%
Fractal Analytics Malaysia SDN BHD	Malaysia	100.00%	100.00%
Fractal Analytics Australia Pty. Ltd	Australia	100.00%	100.00%
Theremin Multi strategy Fund LLP	India	71.03%	97.30%
Asper.AI Limited *	United Kingdom	96.69%	94.76%
Asper.AI Inc *	United States of America	96.69%	94.76%
Asper.AI Technologies Private Limited*^^	India	96.69%	94.76%
Senseforth AI Research Inc	United States of America	100.00%	100.00%
Eugenie Inc.	United States of America	100.00%	94.12%
Neal Analytics LLC^^^	United States of America	-	100.00%
Fractal LLC-FZ	United Arab Emirates	100.00%	100.00%
Fractal Frontiers Inc	United States of America	100.00%	100.00%
Analytics Vidhya Inc (w.e.f August 08, 2023)	United States of America	55.92%	55.92%
Fractal Japan KK (w.e.f August 21, 2023) #	Japan	-	100.00%
Fractal AI Limited (w.e.f June 26, 2024)	United Arab Emirates	100.00%	-

The Group is engaged in principal activity of Analytics, Machine Learning and Artificial Intelligence.

\*Based on equity holding excluding dilution due to convertible instruments and employee stock option pool of subsidiaries companies.

^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.

^^During the year ended March 31, 2024, parent entity had sold the shares of Asper.ai Technologies Private Limited to Asper.AI Inc, accordingly Asper.AI Technologies Private Limited has become indirect subsidiary w.e.f September 01, 2023.

^^^During the year ended March 31, 2025 subsidiary Neal Analytics LLC was merged with Fractal Analytics Incorporated, USA w.e.f April 09, 2024.

# During the year ended March 31, 2025, Fractal Japan KK has been dissolved w.e.f July 31, 2024.

The Group vide board resolution dated December 17, 2024 has approved scheme of arrangement amongst 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 subject to requisite approvals, consents permissions of the shareholders and creditors as applicable, of the Company and due sanction of National Company Law Tribunal (NCLT) Mumbai bench based on share exchange ratio as determined.



*[Handwritten signature]*

# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

35 As per Schedule III of the Companies Act 2013, the required information on subsidiaries and associate is provided in the following table (continued):

For year March 31, 2025

(in Rupees million)

Name of the subsidiaries	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in OCI		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
<b>Parent</b>								
Fractal Analytics Limited	110%	19,467	60%	1,321	75%	(37)	60%	1,284
<b>Subsidiaries</b>								
Fractal Analytics Inc., USA	5%	837	30%	665	192%	(96)	26%	569
Fractal Private Limited, Singapore	1%	143	0%	9	8%	(4)	0%	5
Cuddle Artificial Intelligence Private Limited	0%	5	0%	(1)	0%	-	0%	(1)
Final Mile Consultants Private Limited	1%	174	0%	10	0%	-	0%	10
Theremin AI Solutions Private Limited	0%	7	1%	25	0%	-	1%	25
Eugenie Technologies Private Limited	0%	2	2%	35	-4%	2	2%	37
Fractal Alpha Private Limited	0%	(0)	0%	(1)	0%	-	0%	(1)
Senseforth AI Research Private Limited	-1%	(213)	-6%	(141)	0%	0	-7%	(141)
Analytics Vidya Educon Private Limited	0%	(24)	-3%	(56)	2%	(1)	-3%	(57)
Neal Analytics Services Private Limited	0%	88	0%	5	0%	-	0%	5
<b>Step down Subsidiaries</b>								
Fractal Analytics UK Limited	4%	742	3%	69	-61%	31	5%	100
Asper.AI Inc	-3%	(605)	-11%	(240)	23%	(12)	-12%	(252)
Asper.AI Technologies Private Limited	1%	181	2%	39	-2%	1	2%	40
Senseforth AI Research Inc	0%	56	0%	1	-1%	1	0%	2
Asper.AI Limited, UK	0%	5	0%	0	0%	0	0%	0
Fractal Analytics (Switzerland) GmbH	0%	22	0%	3	-1%	0	0%	3
Fractal Analytics Malaysia SDN BHD	0%	4	0%	(2)	-1%	1	0%	(1)
Fractal Analytics (Germany) GmbH	0%	9	0%	(0)	0%	0	0%	0
Fractal Analytics (Canada) Inc.	0%	103	1%	24	5%	(3)	1%	21
Fractal Analytics Netherlands B.V	0%	20	0%	7	0%	0	0%	7
Fractal Analytics Australia Pty. Limited	1%	129	2%	43	6%	(3)	2%	40
Fractal Analytics Sweden AB	0%	(1)	0%	(2)	-9%	5	0%	3
Fractal Analytics (Shanghai) Limited	0%	34	0%	0	0%	(0)	0%	0
Fractal L.L.C-FZ	0%	25	1%	15	-1%	0	1%	15
Fractal AI Limited	0%	2	0%	2	0%	0	0%	2
Fractal Frontiers, Inc	0%	0	0%	(1)	0%	(0)	0%	(1)
Limited Liability Company "Symphony (Ukraine)	0%	32	0%	3	8%	(4)	0%	(1)
Final Mile Consulting LLC	-2%	(283)	0%	8	0%	0	0%	8
Cuddle.ai Inc	0%	0	0%	0	0%	0	0%	0
Eugenie.AI INC	0%	3	5%	103	16%	(8)	4%	95
Theremin Multistrategy Fund LLP	0%	-	0%	-	0%	-	0%	-
Analytics Vidhya Inc	0%	1	0%	1	0%	0	0%	1
<b>Total</b>	<b>117%</b>	<b>20,965</b>	<b>88%</b>	<b>1,944</b>	<b>254%</b>	<b>(127)</b>	<b>84%</b>	<b>1,817</b>
Adjustments arising out of Consolidation:	-38%	(7,002)	-2%	(42)	-157%	78	2%	36
Adjustment for associate entity accounted under equity method	20%	3,570	15%	328	3%	(1)	15%	327
Non controlling interest	1%	122	-1%	(24)	0%	0	-1%	(24)
<b>Total</b>	<b>100%</b>	<b>17,654</b>	<b>100%</b>	<b>2,206</b>	<b>100%</b>	<b>(50)</b>	<b>100%</b>	<b>2,156</b>



# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

35 As per Schedule III of the Companies Act 2013, the required additional information on subsidiaries and associate is provided in the following table (continued):

For year ended March 31, 2024

(in Rupees million)

Name of the subsidiaries	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in OCI		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
<b>Parent</b>								
Fractal Analytics Limited	119%	16,898	-146%	799	93%	45	-169%	844
<b>Subsidiaries</b>								
Fractal Analytics Inc., USA	-4%	(587)	120%	(656)	0%	-	0%	(656)
Fractal Private Limited, Singapore	1%	132	0%	3	0%	-	0%	3
Cuddle Artificial Intelligence Private Limited	0%	6	-145%	795	0%	-	-159%	795
Final Mile Consultants Private Limited	1%	165	-3%	18	0%	-	-4%	18
Theremin AI Solutions Private Limited	0%	(16)	4%	(23)	0%	-	5%	(23)
Eugenie Technologies Private Limited	0%	(35)	-1%	6	5%	3	-2%	9
Fractal Alpha Private Limited	0%	(1)	0%	(0)	0%	-	0%	(0)
Asper.AI Technologies Private Limited	1%	140	-6%	31	-2%	(1)	0%	30
Senseforth AI Research Private Limited	-2%	(265)	17%	(94)	6%	3	0%	(91)
Analytics Vidya Educon Private Limited	0%	32	21%	(115)	0%	0	0%	(115)
Neal Analytics Services Private Limited	1%	83	0%	2	0%	-	0%	2
<b>Step down Subsidiaries</b>								
Fractal Analytics UK Limited	4%	553	-15%	83	0%	-	0%	83
4i Consulting Inc	0%	-	0%	-	0%	-	0%	-
Asper.AI Inc	-3%	(361)	55%	(298)	0%	-	60%	(298)
Senseforth AI Research Inc	0%	54	9%	(52)	0%	-	10%	(52)
Asper.AI Limited, UK	0%	4	0%	0	0%	-	0%	0
Neal Analytics LLC	2%	253	-9%	48	0%	-	-10%	48
Fractal Analytics (Switzerland) GmbH	0%	18	0%	2	0%	-	0%	2
Fractal Analytics Malaysia SDN BHD	0%	5	0%	(0)	0%	-	0%	(0)
Fractal Analytics (Germany) GmbH	0%	9	0%	0	0%	-	0%	0
Fractal Analytics (Canada) Inc.	1%	80	-5%	26	0%	-	-5%	26
Fractal Analytics Netherlands B.V	0%	12	-1%	5	0%	-	-1%	5
Fractal Analytics Australia Pty. Limited	1%	88	-4%	23	0%	-	-5%	23
Fractal Analytics Sweden AB	0%	1	0%	0	0%	-	0%	0
Fractal Analytics (Shanghai) Limited	0%	33	-1%	3	0%	-	-1%	3
Fractal L.L.C-FZ	0%	10	-1%	7	0%	-	-1%	7
Fractal Frontiers, Inc	0%	(2)	0%	(1)	0%	-	0%	(1)
Limited Liability Company "Symphony (Ukraine)	0%	29	-1%	3	0%	-	-1%	3
Final Mile Consulting LLP	-2%	(284)	0%	3	0%	-	-1%	3
Cuddle.ai Inc	0%	(0)	-79%	430	0%	-	-86%	430
Eugenie.AI INC	-3%	(373)	17%	(93)	0%	-	19%	(93)
Theremin Multistrategy Fund LLP	0%	-	0%	-	0%	-	0%	-
<b>Total</b>	<b>117%</b>	<b>16,681</b>	<b>-176%</b>	<b>955</b>	<b>102%</b>	<b>50</b>	<b>-202%</b>	<b>1,005</b>
Adjustments arising out of Consolidation:	-42%	(5,867)	222%	(1,211)	0%	(0)	244%	(1,211)
Adjustment for associate entity accounted under equity method	23%	3,243	40%	(219)	-2%	(2)	44%	(221)
Non controlling interest	1%	142	13%	(72)	0%	(0)	14%	(72)
<b>Total</b>	<b>100%</b>	<b>14,199</b>	<b>100%</b>	<b>(547)</b>	<b>100%</b>	<b>48</b>	<b>100%</b>	<b>(499)</b>





# Fractal Analytics Limited

(formerly known as Fractal Analytics Private Limited)

## Notes to Consolidated Financial statements as at and for year ended March 31, 2025

### 36 Investment accounted for using the equity method

As at March 31, 2025 the Group has interest of 31.51% (as at March 31, 2024 : 36.92 %) in Qure.ai Technologies Private Limited ('Qure.ai').

(in Rupees million)

(a)	Particulars	As at March 31, 2025	As at March 31, 2024
	Opening value of investment	4,259	4,479
	(Loss) for the year	(298)	(165)
	Remeasurement of retained interest in associate	297	(55)
	<b>Aggregate carrying amount</b>	<b>4,258</b>	<b>4,259</b>

(b)	Summary of Statement of Balance Sheet	As at March 31, 2025	As at March 31, 2024
	Non Current assets	704	529
	Current assets	4,831	2,826
	Non Current liabilities	(165)	(96)
	Current liabilities	(702)	(757)
	<b>Equity</b>	<b>4,668</b>	<b>2,502</b>

(c)	Summary of Statement of Profit and Loss	Year ended March 31, 2025	Year ended March 31, 2024
	Revenue from operations and other income	1,904	1,540
	Net loss after tax	(904)	(479)
	Total comprehensive loss for the year	(908)	(481)
	Group's share of loss in associate	(297)	(163)
	Group's share of Other comprehensive income in associate	(1)	(2)
	Group's share of Total comprehensive income in associate	(298)	(165)

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**Fractal Analytics Limited**  
(formerly known as Fractal Analytics Private Limited)

Notes to Consolidated Financial statements as at and for year ended March 31, 2025

**37 Earnings per share**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(Loss) attributable to the equity holders of the Parent Company (in Rupees million)	2,230	(475)
Weighted average number of equity shares for Basic EPS (in nos)	30,782,447	30,471,259
Add : Potential equity shares on exercise of options (in nos)	2,590,313	2,738,085
Weighted average number of equity shares for Diluted EPS (in nos)	33,372,760	33,209,344
Earnings per share (in Rs.):		
- Basic	72.44	(15.60)
- Diluted	66.82	(15.60)
Face value per equity share (Rs.)	1.00	1.00

Options granted to employees under the stock option plan are considered to be potential equity shares. Details relating to the options are set out in note 33. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. In view of losses during year ended March 31, 2024, the options are anti-dilutive. Accordingly, there is no variation between basic and dilutive earnings per share.

**38 Commitments and contingent liabilities**

(in Rupees million)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) Commitments</b>		
Capital commitments	253	11
<b>(b) Contingent liabilities</b>		
Claims against the Group not acknowledged as debt:		
For income tax matters under appeal*	136	76
For good and service tax under appeal*	3	-

\*The Group believes that these claims are not tenable and hence no provision has been made in this regard. The amount of contingent liabilities is disclosed based on the best possible estimate, excluding consequential interest and penalty, if any, which in turn is based on the likelihood of possible outcomes of proceedings by the tax authorities and the possible cash outflow will be known on settlement of the proceedings by the tax authorities.

**39 Corporate social responsibility**

(in Rupees million)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Corporate social responsibility expenditure</b>		
Amount required to be spent as per Section 135 of the Companies Act, 2013	6	5
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) Purposes other than (i) above	7	7
(iii) nature of CSR activities		
i) Contribution to Public Trust		
ii) Contribution to Charitable Trust	7	7
(The amount during the year has been spent towards water wheels for underprivileged people, providing artificial aids & appliances to disabled people, scholarship supports for higher education for girl students pursuing technical courses and bamboo plantation in tribal parts.)		

**40 Other Statutory Information**

(i) The Group has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall: ☐ (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries"); or ☐ (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Group has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall: ☐ (a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"); or ☐ (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. ☐

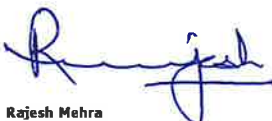
(iii) The Group has not surrendered or disclosed any such transaction which is not recorded in the books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**41 Subsequent event :** There are no material subsequent events which have occurred between the reporting date as on March 31, 2025 and the adoption of the financial statement by the board of directors as on May 20, 2025.

**42** The consolidated financial statement were authorised for issue by the Parent's Board of Directors on May 20, 2025.

As per our report of even date attached.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022



Rajesh Mehra  
Partner  
Membership Number: 103145

Mumbai  
Date: May 21, 2025

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

CIN: U72400MH2000PTC125369



Srikanth Yelamakanni  
Whole-time Director  
DIN: 01722758

Mumbai  
Date: May 20, 2025



Sasha Gulu Mirchandani  
Director  
DIN: 01179921

Mumbai  
Date: May 20, 2025



Soniya Kharwal  
Company Secretary  
Date: May 20, 2025

Mumbai  
Date: May 20, 2025