

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

**To the Members of Fractal Analytics Private Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of Fractal Analytics Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

### Fractal Analytics Private Limited

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 standalone 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

**Fractal Analytics Private Limited**

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report on Other Legal and Regulatory Requirements**

1. 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, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company 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 :

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the standalone 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 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

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

**Fractal Analytics Private Limited**

manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the standalone financial statements, no funds have been received by the Company 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 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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 Company has neither declared nor paid any dividend during the year.
  - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. 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 the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. 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.:101248W/W-100022

**Rajesh Mehra**

*Partner*

Place: Mumbai

Date: 19 July 2023

Membership No.: 103145

ICAI UDIN:23103145BGXWXH9286



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering data analytics services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments and granted loans (unsecured) to companies during the year. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year.

Particulars	Advances	Loans	Advances in nature of loans
Aggregate amount during the year Subsidiaries*	11	287	100%
Balance outstanding as at balance sheet date Subsidiaries*	-	380	N.A.



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

*\*As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances given during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given to subsidiaries, these are repayable on demand including interest thereon. As informed to us, the Company has not demanded repayment of the loan and interest thereon during the year except for repayment of advance in the nature of loan of Rs 110 million. Thus, there has been no default on the part of the party to whom the money has been lent.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties (subsidiaries)
Aggregate of loans/advances in nature of loan - Repayable on demand (A)	380
Percentage of loans/advances in nature of loan to the total loans	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax, or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	144,464	April 2022	15-May-2022	15-Apr-2023	Delay in payment due to errors in linking of employee Aadhaar cards with UAN number
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	41,250	May 2022	15-June-2022	15-Apr-2023	Delay in payment due to errors in linking of employee Aadhaar cards with UAN number
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	37,500	June 2022	15-Jul-2022	15-Apr-2023	Delay in payment due to errors in linking of employee Aadhaar cards with UAN number
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	41,250	July 2022	15-Aug-2022	15-Apr-2023	Delay in payment due to errors in

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks , if any
us Provisions Acy, 1952						linking of employee Adhaar cards with UAN number
Employees Provident Fund & Miscellaneous Provisions Acy, 1952	Provident Fund	37,500	August 2022	15-Sept-2022	15-Apr-2023	Delay in payment due to errors in linking of employee Adhaar cards with UAN number

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in Million)*	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	5	AY 2007-08	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	13	AY 2011-12	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	41	AY 2017-18	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	2	AY 2019-20	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	9	AY 2020-21	Assessing Officer and



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

Name of the statute	Nature of the dues	Amount (INR in Million)*	Period to which the amount relates	Forum where dispute is pending
				Transfer Pricing officer

\*These amounts are net of amounts paid under protest INR 25 million

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (g) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year. In our opinion, in respect of private placement of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,



B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

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



**Rajesh Mehra**

*Partner*

Place: Mumbai

Date: 19 July 2023

Membership No.: 103145

ICAI UDIN:23103145BGXWXH9286

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Fractal Analytics Private Limited for the year ended 31 March 2023**

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

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Fractal Analytics Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, 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 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control 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 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 Company 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 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 Company's 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



**Annexure B to the Independent Auditor's Report on the standalone financial statements of Fractal Analytics Private Limited for the year ended 31 March 2023 (Continued)**

**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 standalone 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 standalone 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 standalone 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.

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

*Chartered Accountants*

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



**Rajesh Mehra**

*Partner*

Place: Mumbai

Date: 19 July 2023

Membership No.: 103145

ICAI UDIN:23103145BGXWXH9286



# Fractal Analytics Private Limited

Standalone Balance Sheet as at March 31, 2023

		(in Rupees Million)	
Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(A) Non-current assets</b>			
(a) Property, plant and equipment	(3)	308	357
(b) Right-of-use assets	(4)	221	378
(c) Other intangible assets	(5)	22	33
(d) Intangible assets under development	(5.1)	1	-
(e) Investments	(6)	5,670	5,726
(f) Financial assets			
(i) Other financial assets	(9)	304	169
(g) Income tax assets (net)		143	144
(h) Deferred tax assets (net)	(10)	43	49
(i) Other non-current assets	(11)	33	48
<b>Total non-current assets</b>		<b>6,745</b>	<b>6,904</b>
<b>(B) Current assets</b>			
(a) Financial assets			
(i) Investments	(6)	2,752	3,946
(ii) Trade receivables	(7)	6,374	3,467
(iii) Cash and cash equivalents	(12)	79	382
(iv) Loans	(8)	193	203
(v) Other financial assets	(9)	38	201
(b) Other current assets	(11)	426	435
<b>Total current assets</b>		<b>9,862</b>	<b>8,634</b>
<b>Total assets</b>		<b>16,607</b>	<b>15,538</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Equity</b>			
(a) Share capital	(13)	31	31
(b) Other equity	(14)	14,974	13,790
<b>Total equity</b>		<b>15,005</b>	<b>13,821</b>
<b>(B) Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease obligation	(31)	42	245
(ii) Other financial liabilities	(16)	2	-
(b) Provisions	(18)	73	83
<b>Total non-current liabilities</b>		<b>117</b>	<b>328</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease obligation	(31)	228	212
(ii) Trade payables	(15)		
1. Total outstanding dues of micro enterprise and small enterprises		5	16
2. Total outstanding dues of creditors other than micro enterprises and small enterprises		225	228
(iii) Other financial liabilities	(16)	753	587
(b) Other current liabilities	(17)	176	346
(c) Provisions	(18)	80	-
(c) Current tax liabilities		18	-
<b>Total current liabilities</b>		<b>1,485</b>	<b>1,389</b>
<b>Total Equity and Liabilities</b>		<b>16,607</b>	<b>15,538</b>

## Significant accounting policies

2

The accompanying notes from 1 to 43 form an integral part of the standalone 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

For and on behalf of the Board of Directors of

Fractal Analytics Private Limited

CIN: U72400MH2000PTC125369



Rajesh Mehra

Partner

Membership Number: 103145

Mumbai

Date: July 19, 2023



Srikanth Velamakanni

Whole-Time Director

DIN: 01722758

New Delhi

Date: July 19, 2023



Gulu Mirchandani

Director

DIN: 00026664

Mumbai

Date: July 19, 2023



Soniya Agarwal

Company Secretary

Membership number: A17336

Mumbai

Date: July 19, 2023

# Fractal Analytics Private Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(In Rupees Million)			
Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>(1) Income</b>			
(a) Revenue from operations	(19)	9,476	6,388
(b) Other income	(20)	609	320
<b>Total Income</b>		<b>10,085</b>	<b>6,708</b>
<b>(2) Expenses</b>			
(a) Employee benefits expense	(21)	7,912	5,178
(b) Finance costs	(22)	39	57
(c) Depreciation and amortization expense	(23)	404	374
(d) Other expenses	(24)	1,247	1,156
<b>Total Expenses</b>		<b>9,602</b>	<b>6,765</b>
<b>(3) Profit /(Loss) before tax and exceptional items (1-2)</b>		<b>483</b>	<b>(57)</b>
Exceptional items	(25)	898	-
<b>(4) (Loss) before tax (3-4)</b>		<b>(415)</b>	<b>(57)</b>
<b>(5) Tax expense</b>	(35)		
(a) Current tax		134	-
(b) Tax adjustment for earlier year		5	(30)
(c) Deferred tax charge / (credit)	(10)	6	(1)
<b>Total tax expense</b>		<b>145</b>	<b>(31)</b>
<b>(6) (Loss) for the year</b>		<b>(560)</b>	<b>(26)</b>
<b>(7) Other comprehensive income/(loss)</b>			
(1) Items that will not be reclassified subsequently to Profit/(Loss)			
(a) Remeasurement of defined employee benefit plans	(27)	27	(28)
(b) Income tax on items (a) above		(7)	-
<b>Total other comprehensive income/(loss)</b>		<b>20</b>	<b>(28)</b>
<b>(8) Total comprehensive (loss) for the year</b>		<b>(540)</b>	<b>(54)</b>
<b>Earnings per share (EPS)</b>	(34)		
(1) Basic EPS		(18.47)	(0.93)
(2) Diluted EPS		(18.47)	(0.93)

## Significant accounting policies

2

The accompanying notes from 1 to 43 form an integral part of the standalone 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: July 19, 2023

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

CIN: U72400MH2000PTC125369



### Srikanth Velamakanni

Whole-Time Director

DIN: 01722758

New Delhi

Date: July 19, 2023



### Gulu Mirchandani

Director

DIN: 00026664

Mumbai

Date: July 19, 2023



### Somya Agarwal

Company Secretary

Membership number: A17336

Mumbai

Date: July 19, 2023

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(A) Cashflows from operating activities</b>		
(Loss) before tax	(415)	(57)
<b>Adjustment for:</b>		
Net gain on redemption/fair valuation of financial instruments	(157)	(43)
Guarantee commission income	(39)	(6)
Dividend income	-	(148)
Interest income on unwinding of security deposits	(11)	(9)
Interest income on other deposits	(21)	(9)
Unrealised foreign exchange loss/(gain) (net)	(61)	(11)
Unrealised fair value loss / (gain) on forward contracts (net)	45	(1)
Depreciation and amortization	216	190
Amortisation of right-of-use assets	188	184
Employee stock option expense	1,049	102
Interest on lease liabilities	39	57
Provision for doubtful debts and advances	18	-
Provision for tax settlements	80	-
Impairment in value of investments and recoverables from subsidiaries	898	94
Other current asset written off	-	150
<b>Operating cash flow before working capital changes</b>	<b>1,829</b>	<b>493</b>
(Increase) in trade receivables	(2,857)	(1,207)
(Increase) in other current financial assets	(108)	(46)
(Increase) in other non current financial assets	(0)	(22)
Decrease / (Increase) in other non current assets	15	(19)
(Increase) in other current assets	(2)	(178)
(Decrease) / Increase in trade payables	(14)	113
Increase in other current financial liabilities	184	127
Increase / (Decrease) in current and non-current provisions	17	(32)
Increase in other non current liabilities	2	-
(Decrease) / Increase in other current liabilities	(171)	182
<b>Cash generated from operations</b>	<b>(1,105)</b>	<b>(589)</b>
Taxes paid (net of refunds)	(127)	(131)
<b>Net cashflows (used in) from operating activities</b>	<b>(1,232)</b>	<b>(720)</b>
<b>(B) Cashflows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(156)	(254)
Intercompany loan given during the year	(298)	(132)
Intercompany loan received back during the year	121	9
Interest received during the year	21	9
Dividend received	-	148
Maturity proceeds of sale of mutual fund units	7,866	7,392
Purchase of mutual fund units	(6,514)	(10,595)
Movement in bank deposits with maturity greater than 3 months (net)	-	4
Investment in equity instruments of subsidiary	(5)	(2,966)
Investment in Compulsorily convertible cumulative preference shares	-	(15)
Interest received on fixed deposit	-	0
<b>Net cashflows generated from / (used in) investing activities</b>	<b>1,035</b>	<b>(6,400)</b>
<b>(C) Cashflows from financing activities</b>		
Proceeds from issue of equity shares	148	787
Proceeds from share application money pending allotment	3	-
Proceeds from issue of preference shares	-	6,875
Repayment of lease liabilities including interest	(257)	(227)
<b>Net cashflows from / (used in) financing activities</b>	<b>(106)</b>	<b>7,435</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(303)</b>	<b>315</b>
Cash and cash equivalents at the beginning of the year	382	67
<b>Cash and cash equivalents at the end of the year</b>	<b>79</b>	<b>382</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash in hand*	0	1
Balance with banks:		
In current accounts	79	381
<b>Total cash and cash equivalents</b>	<b>79</b>	<b>382</b>

\*denotes amount less than Rs 1 million

**Notes :**

Refer note 31 for movement in lease liabilities under financing activities.

The cashflow statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows' as specified under section 133 of the Companies Act, 2013.

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: July 19, 2023

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

CIN: U72400MH2000PTC125369



**Sankar Velamakanni**

Whole-Time Director

DIN: 01722758

New Delhi

Date: July 19, 2023



**Somya Agarwal**

Company Secretary

Membership number: A17336

Mumbai

Date: July 19, 2023



**Gulu Mirchandani**

Director

DIN: 00026664

Mumbai

Date: July 19, 2023

# Fractal Analytics Private Limited

Standalone Statement of Changes in Equity for the year ended March 31, 2023

## (A) Equity share capital

Particulars	Amount
Balance as at April 1, 2021	24
Changes in equity shares capital during the year (including amounts received for partly paid up shares)	2
Balance as at March 31, 2022	26
Balance as at April 1, 2022	26
Changes in equity shares capital during the year *	-
Balance as at March 31, 2023	26

\* Amount less than Rs. 1 million

Note : There are no changes in Equity Share Capital due to prior period errors

## (B) 0.001% Compulsorily convertible cumulative preference share capital

Particulars	Amount
Balance as at April 1, 2021	-
Changes in preference share capital during the year	5
Balance as at March 31, 2022	5
Balance as at April 1, 2022	5
Changes in preference share capital during the year	-
Balance as at March 31, 2023	5

## (C) Other equity

Particulars	Reserve and Surplus				Share application money pending allotment	Total equity
	Securities premium reserve	Employee stock option reserve	Retained earnings	Remeasurement of defined employee benefit plans		
Balance as at April 1, 2021	4,010	444	1,660	(114)	0	6,000
Issue of Equity shares	785	-	-	-	(0)	785
Issue of Compulsorily Convertible Cumulative Preference shares	6,870	-	-	-	-	6,870
Employee stock option expense	-	189	-	-	-	189
Transfer on account of exercise of ESOP	121	(121)	-	-	-	-
Transfer on account of vested ESOP lapsed	-	(25)	25	-	-	-
(Loss) for the year	-	-	(26)	-	-	(26)
Remeasurement of defined employee benefits, net of tax	-	-	-	(28)	-	(28)
Balance as at March 31, 2022	11,786	487	1,659	(142)	-	13,790
Balance as at April 1, 2022	11,786	487	1,659	(142)	-	13,790
Share application money received during the year	-	-	-	-	3	3
Issue of Equity shares	148	-	-	-	-	148
Employee stock option expense (Refer note 32)	-	1,573	-	-	-	1,573
Transfer on account of exercise of ESOP	43	(43)	-	-	-	-
Transfer on account of vested ESOP lapsed*	-	(0)	0	-	-	-
(Loss) for the year	-	-	(560)	-	-	(560)
Remeasurement of defined employee benefits, net of tax	-	-	-	20	-	20
Balance as at March 31, 2023	11,977	2,017	1,099	(122)	3	14,974

\*Amount less than Rs 1 million

Note : There are no changes in accounting policy or prior period errors which are charged to retained earnings

### Nature and purpose of reserves

(a) **Securities premium reserve:** 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 options reserve :** This account relates to Stock options granted by the Company to its employees and employees of other subsidiary under an Employee Stock Options Plan.

(c) **Retained earnings:** Retained earnings are the profits that the Company has earned till date net of appropriations. It is available for distribution to shareholders.

(d) **Share application money pending allotment:** Share application money pending allotment represents application money received.

The accompanying notes from 1 to 43 form an integral part of the standalone 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: July 19, 2023

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Srikanth Velamakanni

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New Delhi

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Gulu Mirchandani

Director

DIN: 00026664

Mumbai

Date: July 19, 2023



Somya Agarwal

Company Secretary

Membership number: A17336

Mumbai

Date: July 19, 2023

## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

#### **1. Corporate Information**

Fractal Analytics Private Limited ('the Company') is a private limited company, incorporated and domiciled in India. The Company is the leading provider of advanced analytics that helps companies leverage data driven insights in taking informed decisions. The Company helps enterprises power every human decision by bringing analytics and advanced analytics to the decision-making process. The registered office of the Company is located at Level 7, Commerz II, International Business Park, Oberoi Garden City, Western Express Highway, Goregaon (E), Mumbai, India.

#### **2. Significant accounting policies followed by the Company**

##### **2.1 Basis of Preparation**

These standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The standalone financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), Employees stock option plan as per fair value of the option and Employee's defined benefit plan as per actuarial valuation.

The standalone financial statements are presented in Indian rupee (INR), which is Company's presentation currency. All values are rounded off to nearest Million, except when otherwise indicated.

These standalone financial statements were authorised for issuance by the Board of Directors at their meeting held on July 19, 2023.

##### **2.2 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. 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 Company 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 standalone financial statements, either on disposal or when retired from active use. Losses/profit arising on derecognition of the PPE is recognised in the statement of profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

##### **Depreciation**

Depreciation on PPE has been provided on straight line method as per the estimated useful lives and the assets' residual values. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted on a prospective basis.





**Fractal Analytics Private Limited****Notes to Standalone Financial Statements for the year ended March 31, 2023**

Estimated useful life of the assets are as follows:

Description of assets	Useful life of assets
Furniture & Fixtures	3 - 10 years
Office equipment	3 -5 years
Leasehold Improvements	Over period of Lease
Computers and accessories	3 – 5 years

**2.3 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 Company and the cost of the asset can be measured reliably.

The intangible assets such as software and intellectual property 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.
- 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. All other expenditure are recognised in the statement of profit or loss as incurred.

**Amortization**

Amortization is recognised in the statement of profit or 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 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.

The estimated useful lives are as follows:

Assets Description	Expected Useful life
Intellectual Property	5 years
Computer Software	3 years



## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

#### **2.4 Impairment of property, plant and equipment and intangible assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the property, plant and equipment or intangible 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.

#### **2.5 Foreign Currency translation**

##### **Functional and Presentation currency**

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

##### **Transaction 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 profit or 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 transactions.

#### **2.6 Revenue recognition**

Revenue is recognized when the Company 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 Company 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 Company considers a performance obligation satisfied once it has transferred control of a 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 on output basis measured by efforts expended.



## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

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.

Revenue from inter-company arrangement is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

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 and excludes taxes collected on behalf of the government.

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 is billing 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 Company 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.

#### **Dividend and interest income**

Dividend is recognised as income when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## **2.7 Employee benefits**

### **Defined contribution plans**

The Company'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.



## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

#### **Defined benefit plans**

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method (PUCM), with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings, through other comprehensive income, in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **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 incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

## **2.8 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 statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements 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 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.





## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

Deferred tax assets are recognised for deductible temporary differences and carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

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.

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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 statement of profit or 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.

## **2.9 Leases**

### **The Company as a lessee**

The Company's lease asset classes primarily consist of leases for office premises. The Company 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 Company assesses whether:

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

At the date of commencement of the lease, the Company 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 Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company 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





## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

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 Company 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 interest rate implicit in the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company 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 Balance Sheet and lease payments have been classified as financing cash flows.

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

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

#### **2.10 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 Company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets in the following measurement categories:

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

The classification depends on the Company '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 profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company measures its investments in equity instruments of subsidiaries and associates at cost less impairment, if any, in accordance with Ind AS 27. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.



**Fractal Analytics Private Limited****Notes to Standalone Financial Statements for the year ended March 31, 2023**

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 recognised is in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	<p>Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement.</p> <p>Interest income, transaction cost and discount or premium on acquisition are recognized in the income statement (finance income) using effective interest rate method.</p> <p>On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss</p>



**Fractal Analytics Private Limited**
**Notes to Standalone Financial Statements for the year ended March 31, 2023**

				account 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. 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.	At fair value.  Transaction costs of financial assets expensed to income statement	Changes in fair value of such assets are recorded in income statement 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 Company 's management has made an irrevocable 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.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in fair value of such instruments are recorded in OCI.  On disposal of such instruments, no amount is reclassified to income statement.  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 income statement.



**Fractal Analytics Private Limited****Notes to Standalone Financial Statements for the year ended March 31, 2023**

	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Changes in fair value of such assets are recorded in income statement.
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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.

**(ii) Impairment:**

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

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

The Company 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 Company 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.

**Impairment of investments in subsidiaries and associates**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

**(iii) Derecognition of financial assets:**

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.



## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **B. 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 Company 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 Company 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 profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.





## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

#### **Derecognition:**

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. 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 recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **2.11 Fair value measurement:**

The Company measures financial instruments, such as, certain investments 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 Company.

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 standalone financial statements 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### **2.12 Provisions and Contingencies**

Provisions are recognised when the Company 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.



## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The 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 Company 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 liabilities are disclosed in the notes. 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 and contingent liabilities are reviewed at each balance sheet date.

#### **2.13 Share-based payments**

The cost of equity-settled transactions with employees is measured at fair value at the date at which they 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 Company'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.

The Company has followed of 'push down' accounting whereby employee stock compensation expenses relating to the options issued to subsidiary employees is recorded in the standalone financial statements of the Company under 'Deemed investment in subsidiary' with at corresponding credit being recorded in Employees stock options outstanding account under 'Reserves and Surplus - Employee stock option reserve'.

#### **2.14 Segment reporting:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company'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 Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

#### **2.15 Cash and cash equivalents:**

Cash and cash equivalents in the balance sheet 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.

#### **2.16 Dividend distribution to equity shareholders:**

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid/payable.



## **Fractal Analytics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2023**

#### **2.17 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.

#### **2.18 Current/ Non-current classification:**

An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company'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;
- (d) the Company 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 Company's normal operating cycle is twelve months.

#### **2.19 Significant accounting estimates, judgements and assumptions:**

The preparation of the Company's standalone financial statements 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 standalone financial statements 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.



## Fractal Analytics Private Limited

### Notes to Standalone Financial Statements for the year ended March 31, 2023

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the standalone financial statements:

- a. Useful lives of property, plant and equipment and intangibles:** The Company 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 mortality 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. Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Company as it is not possible to predict the outcome of pending matters with accuracy.
- e. Share-based payments:** The Company measures the cost of equity-settled transactions with employees using Black-Scholes 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 31.
- f. Provision for income tax and deferred tax assets**  
The Company uses estimates and 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 recognized 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 utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.
- g. Leases:** The Company 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 Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.





## Fractal Analytics Private Limited

### Notes to Standalone Financial Statements for the year ended March 31, 2023

The Company 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 Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company 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 Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company 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 or for a portfolio of leases with similar characteristics.

#### 2.20 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.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** : This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** : This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS 12 - Income Taxes** : This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement





# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (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, 2022	572	256	59	128	1,015
Additions	140	-	0	4	144
Disposals	(3)	-	-	-	(3)
<b>As at March 31, 2023</b>	<b>709</b>	<b>256</b>	<b>59</b>	<b>132</b>	<b>1,156</b>
<b>Accumulated depreciation</b>					
As at April 01, 2022	307	198	27	126	658
Charge for the year	156	29	5	2	192
On disposals	(2)	-	-	-	(2)
<b>As at March 31, 2023</b>	<b>461</b>	<b>227</b>	<b>32</b>	<b>128</b>	<b>848</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>248</b>	<b>29</b>	<b>27</b>	<b>4</b>	<b>308</b>
<b>Gross carrying amount</b>					
As at April 01, 2021	323	256	58	127	764
Additions	252	-	1	1	254
Disposals	(3)	-	-	-	(3)
<b>As at March 31, 2022</b>	<b>572</b>	<b>256</b>	<b>59</b>	<b>128</b>	<b>1,015</b>
<b>Accumulated depreciation</b>					
As at April 01, 2021	211	169	22	105	507
Charge for the year	99	29	5	21	154
On disposals	(3)	-	-	-	(3)
<b>As at March 31, 2022</b>	<b>307</b>	<b>198</b>	<b>27</b>	<b>126</b>	<b>658</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>265</b>	<b>58</b>	<b>32</b>	<b>2</b>	<b>357</b>

Note : The Company does not hold any immovable properties



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (4) Right-of-use assets

(in Rupees Million)

Particulars	Amount
<b>Gross carrying amount</b>	
As at April 01, 2022	918
Additions	31
Disposals	-
<b>As at March 31, 2023</b>	<b>949</b>
<b>Accumulated amortisation</b>	
As at April 01, 2022	540
Charge for the year	188
On disposals	-
<b>As at March 31, 2023</b>	<b>728</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>221</b>
<b>Gross carrying amount</b>	
As at April 01, 2021	877
Additions	41
Disposals	-
<b>As at March 31, 2022</b>	<b>918</b>
<b>Accumulated amortisation</b>	
As at April 01, 2021	356
Charge for the year	184
On disposals	-
<b>As at March 31, 2022</b>	<b>540</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>378</b>

### Note:

1. The Right-of-use assets as per Ind AS-116 comprises of lease of office premises.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (5) Other intangible assets

(in Rupees Million)			
Particulars	Computer Software	Intellectual Property	Total
<b>Gross carrying amount</b>			
As at April 01, 2022	63	170	233
Additions	13	-	13
Disposals	-	-	-
<b>As at March 31, 2023</b>	<b>76</b>	<b>170</b>	<b>246</b>
<b>Accumulated amortization</b>			
As at April 01, 2022	61	139	200
Charge for the year	3	21	24
On disposals	-	-	-
<b>As at March 31, 2023</b>	<b>64</b>	<b>160</b>	<b>224</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>12</b>	<b>10</b>	<b>22</b>
<b>Gross carrying amount</b>			
As at April 01, 2021	63	170	233
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2022</b>	<b>63</b>	<b>170</b>	<b>233</b>
<b>Accumulated amortization</b>			
As at April 01, 2021	58	106	164
Charge for the year	3	33	36
On disposals	-	-	-
<b>As at March 31, 2022</b>	<b>61</b>	<b>139</b>	<b>200</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>2</b>	<b>31</b>	<b>33</b>

The estimated amortisation of intangibles for the years subsequent to March 31, 2023 is as follows :

Year ending 31 March	in Rupees Million
2024	12
2025	6
2025	4
	<b>22</b>

## (5.1) Intangible assets under development ('IAUD')

(in Rupees Million)	
Particulars	IAUD
<b>Gross carrying amount</b>	
As at April 01, 2022	-
Additions	1
Less: Capitalized	-
<b>As at March 31, 2023</b>	<b>1</b>

### Ageing of Projects in progress

					(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, 2023	1	-	-	-	1



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (6) Investments

(in Rupees Million)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments (Non-current)</b>		
<b>Investments in equity instruments in subsidiaries</b> (at cost)		
<b>A. Unquoted equity shares</b>		
Fractal Private Limited, Singapore 100,000 (March 31, 2022: 100,000) equity shares of SGD 1 fully paid up	3	3
Fractal Analytics Incorporated, United States of America 997,951 (March 31, 2022: 997,951) equity shares of USD 1 fully paid up	3,426	3,426
Cuddle Artificial Intelligence Private Limited 160,344,828 (March 31, 2022: 160,344,828) equity shares of Rs 1 fully paid up	165	165
Qure.ai Technologies Private Limited March 31, 2022: 250,000,000 equity shares of Rs 1 fully paid up (Refer note 41)	-	250
Final Mile Consultants Private Limited 21,955 (March 31, 2022: 21,955) equity shares of Re 1 fully paid up	474	474
Theremin AI Solutions Private Limited 100,000,010 (March 31, 2022: 100,000,010) equity shares of Rs 1 fully paid up	100	100
Eugenie Technologies Private Limited 1,00,000 (March 31, 2022: 1,00,000) equity shares of Rs 1 fully paid up	1	1
Asper.AI Technologies Private Limited (formerly known as Samva.AI Technologies Private Limited) 9,674,643 (March 31, 2022: 9,674,643) equity shares of Rs 10 fully paid up	121	121
Senseforth AI Research Private Limited 100,000 (March 31, 2022: 100,000) equity shares of Rs 10 fully paid up	130	130
Analytics Vidya Private Limited 127,023 (March 31, 2022: 127,023) equity shares of Rs 10 fully paid up	408	408
Neal Analytics Services Private Limited 10,000 (March 31, 2022: 10,000) equity shares of Rs 10 fully paid up	300	300
Fractal Alpha Private Limited* 5,000,000 (March 31, 2022: 100,000) equity shares of Rs 1 fully paid up	5	0
<b>B. Unquoted preference shares</b> (at amortised cost)		
Theremin AI Solutions Private Limited 43,767,172 (March 31, 2022: 43,767,172) 0.0001% Series B Compulsorily convertible cumulative preference shares of Rs 1 each fully paid up	53	53
<b>C. Unquoted Compulsory Convertible Debentures</b> (at amortised cost)		
Eugenie Technologies Private Limited 9,200 (March 31, 2022: 9,200) 0.1% Compulsory Convertible Debentures of Rs 10,000 each fully paid up	92	92
<b>D. Deemed Investment in subsidiaries</b>		
Fractal Analytics Incorporated, USA	390	268
Fractal Analytics UK Limited, UK	233	17
Theremin AI Solutions Private Limited	2	2
Senseforth AI Research Private Limited	46	10
Neal Analytics LLC	19	-
<b>Investments in equity instruments in associate</b> (at cost)		
<b>A. Unquoted equity shares</b>		
Qure.ai Technologies Private Limited (Refer note 41) 250,000,000 equity shares of Rs 1 fully paid up	250	-
Less : Provision for impairment of Investment (Refer note 25)	(548)	(94)
<b>Total (Non-current)</b>	<b>5,670</b>	<b>5,726</b>
<b>Other investments (Current)</b>		
<b>Investment in mutual funds units (unquoted)</b> (at fair value through profit and loss)		
Investment in liquid mutual funds units (unquoted)	2,752	3,946
<b>Total other investments</b>	<b>2,752</b>	<b>3,946</b>
<b>(a) Aggregate carrying amount of unquoted investments</b>	<b>8,422</b>	<b>9,672</b>
<b>(b) Aggregate amount of impairment in value of investments</b>	<b>548</b>	<b>94</b>

\*denotes amount less than Rs 1 million

The Company has long-term investments in subsidiaries and associates which are measured at cost less impairment. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments.

During the year ended March 31, 2023 and 2022, the Company assessed the performance of its subsidiaries. The assessment was primarily based on future cash flow projections which are specific to each entity based on its business plan. The future cash flows considered key assumptions such as revenue projections, margins, operating expenses, etc. Accordingly, the Company has determined that the recoverable amounts of the long term investments in its subsidiaries is less than their carrying amount and hence, have recorded a provision for impairment of Rs 165 million in Cuddle Artificial Intelligence Private Limited, Rs 155 million (March 31, 2022: Rs 54 million) in Theremin AI Solutions Private Limited, Rs 93 million (March 31, 2022 : Rs 40 million) in Eugenie Technologies Private Limited, Rs 16 million in Analytics Vidya Educon Private Limited and Rs 119 Million in Senseforth AI Research Pvt. Ltd.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

Particulars	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022
(7) Trade receivables		
Considered good - Unsecured		
- Third Party	543	425
- Related parties (Refer note 28)	4,640	2,981
- Unbilled Receivables	149	62
- Related parties - Unbilled (Refer note 28)	1,051	-
<b>Sub Total</b>	<b>6,383</b>	<b>3,468</b>
Allowance for doubtful debts	(9)	(1)
<b>Current trade receivables</b>	<b>6,374</b>	<b>3,467</b>

## Ageing for Trade receivables :

March 31, 2023

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							
(i) Undisputed Trade receivables – considered good	1,160	3,853	161	-	-	-	5,174
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	9	-	-	9
	<b>1,160</b>	<b>3,853</b>	<b>161</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>5,183</b>
Trade Receivables -Unbilled							1,200
Less: Allowance for doubtful trade receivables							(9)
<b>Total</b>							<b>6,374</b>

## Ageing for Trade receivables :

March 31, 2022

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							
(i) Undisputed Trade receivables – considered good	358	3,046	1	-	-	-	3,405
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	1	-	-	1
	<b>358</b>	<b>3,046</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>3,406</b>
Trade Receivables -Unbilled							62
Less: Allowance for doubtful trade receivables							(1)
<b>Total</b>							<b>3,467</b>

## (8) Loans

### Current loans

#### Unsecured, considered good

Intercompany loan (Refer note 28)

Less: Loss allowance (Refer note 25)

**Total current loans**

380	203
(187)	-
<b>193</b>	<b>203</b>

Type of Borrower	March 31, 2023		March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Loans to related parties	380	100%	203	100%
<b>Total</b>	<b>380</b>		<b>203</b>	

Note : Loan given is repayable on demand. Interest on loan ranges between 7% to 7.5%.

## (9) Other financial assets

### Non-current financial assets

Security deposits

Derivative assets at fair value through profit or loss - forward contract

Guarantee fee receivable (Refer note 28)

**Total non-current financial assets**

173	162
6	7
125	-
<b>304</b>	<b>169</b>

### Current financial assets

Derivative assets at fair value through profit or loss - forward contract

Receivables from subsidiaries (Refer note 28)

Interest receivable from subsidiary (Refer note 28)

Less: Loss allowance (Refer note 25)

**Total current financial assets**

-	14
261	171
36	16
(259)	-
<b>38</b>	<b>201</b>

## (10) Deferred tax assets (net)

### Significant components of deferred tax assets (net)

#### Deferred tax assets

Difference between book and tax value of property, plant and equipment and intangible assets

Financial guarantee contract

Others

**Total Deferred tax assets**

43	35
(2)	(1)
2	15
<b>43</b>	<b>49</b>





# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(In Rupees Million)

## Movements in deferred tax assets/(liabilities)

Particulars	Property, plant & equipment and Intangible assets	Others*	Financial guarantee contract*	Total
At April 1, 2021	33	15	(0)	48
(Charged) / Credited				
- to profit or loss	2	(0)	(1)	1
- to other comprehensive Income	-	-	-	-
<b>At March 31, 2022</b>	<b>35</b>	<b>15</b>	<b>(1)</b>	<b>49</b>
At April 1, 2022	35	15	(1)	49
(Charged) / Credited				
- to profit or loss	8	(13)	(1)	(6)
- to other comprehensive Income	-	-	-	-
<b>At March 31, 2023</b>	<b>43</b>	<b>2</b>	<b>(2)</b>	<b>43</b>

\*denotes amount less than Rs 1 million

## (11) Other assets

### Non-Current assets

Prepaid expenses

28

48

Employee advances

5

-

**Total non-current assets**

**33**

**48**

### Current assets

Prepaid expenses

228

140

Contract assets (Refer note 26)

29

44

Advances to vendors and others

32

21

Balance with government authorities

148

162

Other receivable

-

68

Less: Loss allowance

(10)

-

**Total current assets**

**426**

**435**

Note : Prepaid expenses includes Rs 55 million towards planning for initial public offer and is to be shared between the Company and selling share holders.

## (12) Cash and cash equivalents

Cash on hand\*

0

1

Balance with banks

79

381

In current accounts

79

382

**Total cash and cash equivalents**

**79**

**382**



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(in Rupees Million)

\*denotes amount less than Rs 1 million

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(13) Equity share capital</b>		
<b>Authorised</b>		
349,200,000 equity shares of face value Rs. 1 each <sup>^</sup> (March 31, 2022 : 43,650,000 equity shares of face value Rs. 1 each)	349	44
6,350,000 Compulsorily convertible preference shares of face value Rs.1 each (March 31, 2022 : 6,350,000 Compulsorily convertible preference shares of face value Rs. 1 each)	6	6
	<b>355</b>	<b>50</b>
<sup>^</sup> The authorised share capital of the Company has been increased vide board resolution date July 22, 2022.		
<b>Issued share capital</b>		
26,189,854 equity shares of face value Rs.1 each (March 31, 2022 : 25,947,598 equity shares of Rs. 1 each)	26	26
4,523,604 0.001 % Compulsorily convertible preference shares of face value Rs.1 each (March 31, 2022 : 4,523,604 0.001 % Compulsorily convertible preference shares of face value Rs.1 each)	5	5
	<b>31</b>	<b>31</b>
<b>Subscribed and fully paid-up</b>		
25,524,996 equity shares of face value Rs.1 each fully paid up (March 31, 2022 : 25,282,740 equity shares of face value Rs.1 each fully paid up)	26	26
4,523,604 0.001 % Compulsorily convertible preference shares of face value Rs.1 each fully paid up (March 31, 2022 : 4,523,604 0.001 % Compulsorily convertible preference shares of face value Rs.1 each fully paid up)	5	5
	<b>31</b>	<b>31</b>
<b>Subscribed but not fully paid-up</b>		
664,858 equity share of face value Rs.1 (Rs 0.5 paid up) (Refer note a(ii) below)* (March 31, 2022 : 664,858 equity share of face value Rs.1 (Rs 0.5 paid up) (Refer note a(ii) below)*)	0	0
	<b>0</b>	<b>0</b>
	<b>31</b>	<b>31</b>

\*denotes amount less than Rs 1 million

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (in Rupees Million)	Number of shares	Amount (in Rupees Million)
<b>Equity shares</b>				
At the commencement of the year	25,947,598	26	23,922,943	24
Add : Shares issued during the year under				
- employee stock option plan (Refer note a(i) below)	232,856	-*	694,939	1
- private placement of shares (Refer note a(ii) below)	9,400	-*	1,329,716	1
<b>At the end of the year</b>	<b>26,189,854</b>	<b>26</b>	<b>25,947,598</b>	<b>26</b>

\*denotes amount less than Rs 1 million

- (i) During the year 232,856 shares (March 31, 2022: 694,939) were issued under employee stock option plan at various price (Refer note 32).  
(ii) During the year 9,400 shares (March 31, 2022: 1,329,716 shares (including 664,858 partly paid up shares)) were issued on a private placement basis.

### 0.001% Compulsorily convertible preference shares

At the commencement of the year	4,523,604	5	-	-
Issued during the year	-	-	4,523,604	5
<b>At the end of the year</b>	<b>4,523,604</b>	<b>5</b>	<b>4,523,604</b>	<b>5</b>

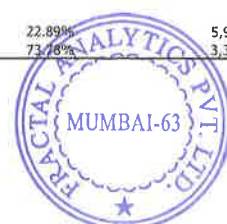
## (b) Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	% 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	22.68%	5,939,620	22.89%	5,939,620
TPG Fett Holdings Pte Limited	28.08%	7,353,814	28.34%	7,353,814
Gita Mirchandani	11.96%	3,131,260	12.07%	3,131,260
Gulu Mirchandani	9.03%	2,365,296	9.12%	2,365,296
Pranay Agrawal	6.60%	1,727,812	6.66%	1,727,812
Srikanth Velamakanni*	5.83%	1,527,378	5.89%	1,527,378
Chetana Kumar	5.15%	1,349,151	5.20%	1,349,151
<b>(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

\* No. of shares consist of 664,858 partly paid shares issued on private placement basis (Refer note a (ii) above)

## (c) Shares held by Companies having significant influence/control

Particulars	As at March 31, 2023		As at March 31, 2022	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
<b>Shares held by TPG Fett Holdings Pte Limited</b>				
(a) Equity shares of Rs. 1 each fully paid-up	28.08%	7,353,814	28.34%	7,353,814
(b) Compulsorily Convertible Preference Shares of Rs. 1 each fully paid-up	26.22%	1,186,099	26.22%	1,186,099
<b>Shares held by Quinag Bidco Limited</b>				
(a) Equity shares of Rs. 1 each fully paid-up	22.68%	5,939,620	22.89%	5,939,620
(b) Compulsorily Convertible Preference Shares of Rs. 1 each fully paid-up	73.78%	3,337,505	73.78%	3,337,505



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(In Rupees Million)

**(d) 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.

**(e) Rights, preferences and restrictions attached to Series B Compulsorily convertible preference shares (CCPS)**

0.001% Compulsorily Convertible preference shares: All outstanding CCPS shall be converted based on the then-applicable CCPS Conversion Price 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 par passu with the Equity Shares on liquidation and shall have no liquidation preference.

**(f) Shares reserved for issue under options**

Particulars	March 31, 2023 No. of shares	March 31, 2022 No. of shares
Equity shares of Rs. 1 each reserved for issue under employee stock option scheme (refer note 32)	6,136,808	6,369,664

(g) 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.

(h) No dividend is declared by the Company during the years ended March 31, 2023 and March 31, 2022.

Particulars	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022

**(14) Other equity**

Securities premium reserve	11,977	11,786
Remeasurement of defined employee benefit plans	(122)	(142)
Employee stock option reserve	2,017	487
Share application money pending allotment	3	-
Retained earnings	1,099	1,659
<b>Total other equity</b>	<b>14,974</b>	<b>13,790</b>

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



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2022				
(15) Trade payables						
Current trade payables						
- Total outstanding dues of micro enterprise and small enterprises (Refer below note)	5	16				
- Total outstanding dues of creditors other than micro enterprises and small enterprises						
- Others	203	219				
- Related parties (Refer note 28)	22	9				
Total current trade payables	230	244				
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 MSME. 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;	5	16				
- 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.	-	-				
Total	5	16				
March 31, 2023						
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	-*	5	-	-	-	5
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	199	7	-	-	225
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	19	204	7	-	-	230
March 31, 2022						
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	1	15	-*	-	-	16
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	163	64	1	-	-	228
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	164	79	1	-	-	244
*denotes amount less than Rs 1 million						
(16) Other financial liabilities						
Non-current financial liabilities						
Employee related obligations		2	-			
Total non-current financial liabilities		2	-			
Current financial liabilities						
Derivative liability at fair value through profit or loss - forward contract		30	-			
Employee related obligations		643				460
Credit liabilities from financial guarantees (Refer note 28)		80				127
Total current financial liabilities		753				587
(17) Other liabilities						
Current liabilities						
Unearned revenue (Refer note 26)		48				46
Advances from client		1				-
Statutory dues payable*		127				300
Total current liabilities		176				346
*Includes liability towards Tax deducted at source, provident fund contribution and Professional tax						
(18) Provisions						
Non-current provisions						
Gratuity (Refer note 27)		73				83
Total non-current provisions		73				83
Current provisions						
Other provisions (Refer note 24)		80				-
Total current provisions		80				-
Movement of other provisions						
Opening balance		-				-
Provision created during the year		80				-
Provision reversed during the year		-				-
Closing balance		80				-



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(19) Revenue from operations</b>		
<b>Sale of services (Refer note 26)</b>		
Income from rendering of services		
- Third party	2,377	1,714
- Related Party (Refer note 28)	7,099	4,674
<b>Total Revenue from operations</b>	<b>9,476</b>	<b>6,388</b>
<b>(20) Other income</b>		
Interest on :		
- Intercompany loan (Refer note 28)	21	9
- Bank deposits*	-	0
- Unwinding of security deposits	11	9
Guarantee fees	39	6
Fair value gain on derivatives	-	36
Dividend income :		
- Equity shares	-	148
Foreign exchange gain, net	306	-
Net gain on redemption/fair valuation of financial instruments	157	43
Miscellaneous income	75	69
<b>Total other income</b>	<b>609</b>	<b>320</b>
*denotes amount less than Rs 1 million		
<b>(21) Employee benefits expenses</b>		
Salaries, wages and bonus	6,353	4,757
Contribution to provident fund (Refer note 27)	155	94
Employee stock option expense (Refer note 32)	1,049	102
Gratuity expense (Refer note 27)	133	82
Staff welfare expense	222	143
<b>Total employee benefits expenses</b>	<b>7,912</b>	<b>5,178</b>
<b>(22) Finance costs</b>		
Interest on :		
- Lease liabilities (Refer note 31)	39	57
- Others*	0	-
<b>Total finance cost</b>	<b>39</b>	<b>57</b>
*denotes amount less than Rs 1 Million.		
<b>(23) Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 3)	192	154
Amortisation of :		
- Right of use assets (Refer note 4)	188	184
- Other intangible assets (Refer note 5)	24	36
<b>Total depreciation and amortization expense</b>	<b>404</b>	<b>374</b>





# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(24) Other expenses</b>		
Software maintenance charges	217	153
Legal and professional fees	162	214
Travelling and conveyance	131	62
Communication charges	80	62
Outsourced manpower cost	76	71
Insurance	36	23
Recruitment expenses	46	92
Repairs and maintenance - Computer	47	22
Facility management expenses	36	35
Payment to auditors (Refer note 24.1 below)	6	6
Rent, rates and taxes (Refer note below)	81	55
Fair value loss on derivatives	149	-
Impairment in value of investments	-	94
Other current asset written off	-	150
Cost of delivery (Refer note 28)	20	9
Provision for doubtful advances	10	-
Membership and subscription charges	17	21
Provision for Bad debts	8	2
Corporate social responsibility (Refer note 39)	6	8
Miscellaneous expenses	119	77
<b>Total other expenses</b>	<b>1,247</b>	<b>1,156</b>
<b>(24.1) Payment to auditors :</b>		
For statutory audit	5	5
For tax audit*	0	0
For other services*	1	1
<b>Total payment to auditors</b>	<b>6</b>	<b>6</b>

\*denotes amount less than Rs 1 Million.

## Note:

The Company and all the Directors of the Company has received show cause notice 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 show cause notice 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 Company in its capacity and on behalf of all directors, has filed on December 7, 2022 an application for compounding of offence before the tax department. The amount of INR 80 million is the estimated compounding fee for the Company and Directors, computed basis compounding guidelines under the Income-tax Act, 1961.

- (25) Exceptional items**  
Impairment in value of investments and recoverables from subsidiaries  
(Refer note below)

898

## Total exceptional items

898

## Note :

During the year, the Company assessed the expected cash flows and the future plans of its subsidiary companies and accordingly, recorded provision for impairment of Rs 165 million in Cuddle Artificial Intelligence Private Limited, Rs 100 million in Theremin AI Solutions Private Limited, Rs 53 million in Eugenie Technologies Private Limited, Rs 16 million in Analytics Vidya Educon Private Limited, Rs 119 million in Senseforth AI Research Private Limited. The Company has also provided for Rs 365 million in Cuddle Artificial Intelligence Private Limited, Rs 24 million in Theremin AI Solutions Private Limited, Rs 56 million in Eugenie Technologies Private Limited against other receivable and outstanding loan balances as at March 31, 2023.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (26) Revenue from Contracts with Customers

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.

Revenue disaggregation by nature of services is as follows:

Particulars	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Analytics/Consulting services</b>		
- Third Party	2,377	1,714
- Related party	7,099	4,674
	<b>9,476</b>	<b>6,388</b>

The Company disaggregates revenue from contracts with customers by nature of services.

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 Company has applied the practical expedient in Ind AS 115. Accordingly, the Company 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 customer typically involving time and material, outcome based and event based contracts.

The Company 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.

No client individually accounted for more than 10% of the third party revenue for the years ended March 31, 2023 and March 31, 2022, respectively.

Changes in contract assets are as follows:

Particulars	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	44	26
Revenue recognized during the year	251	143
Invoices raised during the year	(266)	(125)
<b>Balance at the end of the year</b>	<b>29</b>	<b>44</b>

Contract assets represent right to receive consideration for sale of services delivered but not billed.

Changes in unearned and deferred revenue are as follows:

Particulars	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	46	101
Amount reclassified to trade receivables	-	(87)
Revenue recognized out of the balance at the beginning of the year	(30)	(12)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	32	44
<b>Balance at the end of the year</b>	<b>48</b>	<b>46</b>

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

Particulars	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Contracted price	9,476	6,388
Less: Reductions towards variable consideration components	-	-
<b>Revenue recognised as per statement of profit and loss</b>	<b>9,476</b>	<b>6,388</b>



# Fractal Analytics Private Limited

Notes to the Standalone financial statements for the year ended March 31, 2023

## (27) Employee benefits

### (a) Defined contribution plan

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has neither further contractual nor any constructive obligation.

Particulars	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	155	94

Included in 'Contribution to provident fund under employee benefits expense (Refer Note 21)

### (b) Defined benefit plans

#### Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years and more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's 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 and the Company makes contribution to recognised funds in India.

#### Actuarial Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50%	7.25%
Future salary increases	10.00%	10.00%
<b>Attrition rate</b>		
<u>Based on Completed Years of service</u>		
Up to 2 years	23.00%	24.00%
3 - 4 years	5.00%	8.00%
Above 4 years	2.00%	4.00%
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.

The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) over the year are as follows :

Change in the present value of obligation	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022
<b>Present value of obligation at the beginning of the year</b>	<b>296</b>	<b>205</b>
Interest cost	21	14
Current service cost	127	75
Benefits paid	(33)	(27)
<b>Remeasurement due to</b>		
Actuarial (Gain)/loss arising from change in financial assumptions	(15)	3
Actuarial (Gain)/loss arising on account of experience changes	(24)	6
Actuarial loss arising on account of demographical assumptions	11	20
<b>Present value of obligation at the end of the year</b>	<b>383</b>	<b>296</b>



# Fractal Analytics Private Limited

Notes to the Standalone financial statements for the year ended March 31, 2023

## (27) Employee benefits (Continued)

(in Rupees Million)

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

Change in the fair value of plan assets	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	213	118
Expected returns on plan assets	(2)	1
Interest on plan assets	15	7
Contributions made by the Company	83	87
Fair value of plan assets at the end of the year	310	213

Reconciliation of present value of defined benefit obligation and the fair value of assets	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation at the end of the year	383	296
Fair value of plan assets as at the end of the period	(310)	(213)
Net Deficit	73	83

Amount recognised in the statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	127	75
Past service cost	-	-
Interest cost	6	7
Total expense recognized in the statement of profit and loss	133	82

Amount recognised in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurements during the year due to		
Changes in financial assumptions	(15)	3
Changes in demographic assumptions	10	20
Experience adjustments	(24)	6
Actual return on plan assets less interest on plan assets	2	(1)
Amount recognised in other comprehensive income during the year	(27)	28

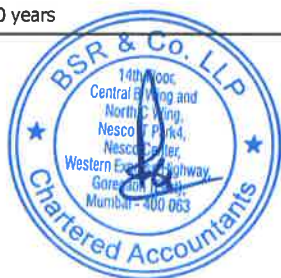
## (c) The sensitivity of significant assumptions used for valuation of defined benefit obligation is as follows :

Impact from percentage point increase / decrease in	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate +100 basis points	(317)	(255)
Discount rate -100 basis points	469	348
Salary increase rate +100 basis points	427	323
Salary increase rate -100 basis points	(341)	(271)

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 period.

## (d) Expected future benefit payments on undiscounted basis

Expected cash flows for following year	As at March 31, 2023	As at March 31, 2022
Expected total benefit payments in the next		
1 year	5	9
2 - 5 years	35	51
6 - 10 years	74	90
More than 10 years	2,074	1,049



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (28) Related party transactions

### (a) Related parties

Sr. No	Name of the party	Nature of relationship
1	Quinag Bidco Limited (up to March 28, 2022)	Parent Company
2	Quinag Bidco Limited (w.e.f March 29, 2022)	Companies having significant influence
3	TPG Fett Holdings Pte Limited (w.e.f March 29, 2022)	Companies having significant influence
4	Fractal Analytics Incorporated, USA	Subsidiary Company
5	Fractal Private Limited, Singapore	Subsidiary Company
6	Fractal Alpha Private Limited (w.e.f March 03, 2022)	Subsidiary Company
7	Cuddle Artificial Intelligence Private Limited	Subsidiary Company
8	Qure.ai Technologies Private Limited (Refer note 41)	Associate Company
9	Qure.ai Technologies Private Limited (up to April 07, 2022)	Subsidiary Company
10	Final Mile Consultants Private Limited	Subsidiary Company
11	Theremin AI Solutions Private Limited	Subsidiary Company
12	Eugenie Technologies Private Limited	Subsidiary Company
13	Asper.AI Technologies Private Limited (Formerly known as Samya.AI Technologies Private Limited) (w.e.f June 11, 2021)	Subsidiary Company
14	Senseforth AI Research Private Ltd (w.e.f August 27, 2021)	Subsidiary Company
15	Analytics Vidya Educon Private Limited (w.e.f November 22, 2021)	Subsidiary Company
16	Neal Analytics Services Private Limited (w.e.f December 24, 2021)	Subsidiary Company
17	Fractal Analytics UK Limited, UK (Subsidiary of Fractal Analytics Incorporated, USA)	Step-down subsidiary
18	Fractal Analytics (Switzerland) GmbH (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
19	Fractal Analytics (Canada) Inc. (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
20	Fractal Analysis Germany GmbH. (Germany) (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
21	Fractal Analytics Netherland B.V. (Netherlands) (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
22	Cuddle.ai Inc. (USA) (Subsidiary of Cuddle Artificial Intelligence Private Limited)	Step-down subsidiary
23	4i Consulting Inc. (Subsidiary of Fractal Analytics Incorporated, USA)	Step-down subsidiary
24	Symphony LLC (Ukraine) (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
25	Final Mile Consulting LLC (Subsidiary of Final Mile Consultants Private Limited)	Step-down subsidiary
26	Fractal Analytics Sweden AB (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
27	Fractal Analytics (Shanghai) Limited (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
28	Fractal Analytics Malaysia SDN BHD (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
29	Qure Technologies Inc. (Subsidiary of Qure.ai Technologies Private Limited) (Refer note 41)	Associate Company





# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (28) Related party transactions (continued)

### (a) Related parties

Sr. No	Name of the party	Nature of relationship
30	Qure Technologies Inc. (Subsidiary of Qure.ai Technologies Private Limited) (up to April 07, 2022)	Step-down subsidiary
31	Fractal Analytics Australia Pty Limited (Subsidiary of Fractal Private Limited, Singapore)	Step-down subsidiary
32	Theremin Multi Strategy Fund LLP (Subsidiary of Theremin AI Solutions Private Limited)	Step-down subsidiary
33	Asper.AI Inc (formerly known as Samya.AI Inc.) (w.e.f June 15, 2021) (Subsidiary of Fractal Analytics Incorporated, USA)	Step-down subsidiary
34	Senseforth Inc. (w.e.f August 31, 2021) (Subsidiary of Fractal Analytics Incorporated, USA)	Step-down subsidiary
35	Asper.AI Limited (formerly known as Samya.AI Limited) (w.e.f June 15, 2021) (Subsidiary of Samya.AI INC., USA)	Step-down subsidiary
36	Eugenie.ai Inc. (w.e.f December 16, 2021) (Subsidiary of Fractal Analytics Incorporated, USA)	Step-down subsidiary
37	Neal Analytics LLC (w.e.f December 31, 2021) (Subsidiary of Fractal Analytics Incorporated, USA)	Step-down subsidiary
38	Qure.ai Technologies Limited (Subsidiary of Qure.ai Technologies Inc.) (Refer note 41)	Associate Company
39	Qure.ai Technologies Limited (Subsidiary of Qure.ai Technologies Inc.) (up to April 07, 2022)	Step-down subsidiary

### (b) Key managerial personnel

Sr. No	Particulars	Nature of relationship
1	Mr. Srikanth Velamakanni	Whole-time Director
2	Mr. Pranay Agrawal	Executive Director
3	Ms. Somya Agarwal	Company Secretary



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (28) Related party transactions (continued)

### (c) Details of transactions with related parties

(in Rupees Million)

Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
<b>A</b>	<b>Transactions</b>		
<b>1</b>	<b>Managerial remuneration</b>		
	Mr. Srikanth Velamakanni	54	534
	Ms. Somya Agarwal	10	10
<b>2</b>	<b>Investment in equity shares of subsidiary company</b>		
	Theremin AI Solutions Private Limited*	-	0
	Fractal Analytics Incorporated, USA	-	2,007
	Fractal Alpha Private Limited*	5	0
<b>3</b>	<b>Investment in 0.0001% Series B Compulsorily convertible cumulative preference shares</b>		
	Theremin AI Solutions Private Limited	-	15
<b>4</b>	<b>Deemed Investment in subsidiary company (Refer note 6)</b>		
	Fractal Analytics Incorporated, USA	253	196
	Fractal Analytics UK Limited, UK	216	13
	Theremin AI Solutions Private Limited	-	1
	Senseforth AI Research Private Ltd	36	10
	Neal Analytics LLC	19	-
<b>5</b>	<b>Issue of 0.001% Compulsorily Convertible Cumulative Preference share</b>		
	Quinag Bidco Limited	-	3,058
<b>6</b>	<b>Reimbursement of expenses</b>		
	Fractal Analytics (Switzerland) GmbH	-	1
	Fractal Analytics Incorporated, USA	-	10
	Cuddle Artificial Intelligence Private Limited	10	17
	Qure.ai Technologies Private Limited	-	1
	Asper.AI Technologies Private Limited	27	3
	Fractal Analytics UK Limited	-	1
	Eugenie Technologies Private Limited	7	13
	Senseforth AI Research Private Ltd	14	-
	Theremin AI Solutions Private Limited	3	-
	Final Mile Consultants Private Limited	4	-
	Neal Analytics Services Private Limited*	0	-
<b>7</b>	<b>Expenses incurred for the Company</b>		
	Qure.ai Technologies Private Limited	-	13
	Theremin AI Solutions Private Limited	-	1
	Final Mile Consultants Private Limited	19	-
<b>8</b>	<b>Reimbursement of expenses of shared office</b>		
	Cuddle Artificial Intelligence Private Limited	10	8
	Qure.ai Technologies Private Limited	-	9
	Theremin AI Solutions Private Limited	3	2
	Final Mile Consultants Private Limited	5	4
	Eugenie Technologies Private Limited	10	8
	Senseforth AI Research Private Ltd	8	-
	Asper.AI Technologies Private Limited	5	-
<b>9</b>	<b>Interest Income</b>		
	Cuddle Artificial Intelligence Private Limited	16	9
	Eugenie Technologies Private Limited*	1	0
	Fractal Alpha Private Limited*	0	-
	Neal Analytics Services Private Limited*	0	-
	Senseforth AI Research Pvt. Ltd	4	-
<b>10</b>	<b>Revenue from operations</b>		
	Fractal Analytics Incorporated, USA	7,099	4,674
<b>11</b>	<b>Dividend income</b>		
	Fractal Private Limited, Singapore	-	148

\*denotes amount less than Rs 1 Million.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (28) Related party transactions (continued)

(in Rupees Million)

Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
<b>12</b>	<b>Income from Guarantee fees</b>		
	Fractal Analytics Incorporated, USA	39	6
<b>13</b>	<b>Intercompany loan/ advance given</b>		
	Cuddle Artificial Intelligence Private Limited	155	106
	Eugenie Technologies Private Limited	10	17
	Final Mile Consultants Private Limited	-	9
	Fractal Alpha Private Limited	6	-
	Senseforth AI Research Pvt. Ltd	116	-
	Neal Analytics Services Private Limited	11	-
<b>14</b>	<b>Intercompany loans/advances repaid</b>		
	Cuddle Artificial Intelligence Private Limited	87	-
	Eugenie Technologies Private Limited	17	-
	Final Mile Consultants Private Limited	-	9
	Fractal Alpha Private Limited	6	-
	Neal Analytics Services Private Limited	11	-
<b>15</b>	<b>Cost of delivery</b>		
	Cuddle Artificial Intelligence Private Limited	11	7
	Neal Analytics Services Private Limited	-	2
	Analytics Vidya Educon Private Limited	9	-
<b>16</b>	<b>Staff training expenses</b>		
	Analytics Vidya Educon Private Limited	10	18
<b>17</b>	<b>Issue of Equity shares</b>		
	Mr. Srikanth Velamakanni (partly paid)	-	244
	Mr. Pranay Agarwal	-	488
<b>18</b>	<b>Provision for doubtful receivables</b>		
	Eugenie Technologies Private Limited	56	-
	Theremin AI Solutions Private Limited	24	-
	Cuddle Artificial Intelligence Private Limited	365	-

Sr. No	Nature of Transaction	As at March 31, 2023	As at March 31, 2022
<b>B</b>	<b>Closing balances</b>		
<b>1</b>	<b>Trade and other receivables including unbilled receivables</b>		
	Fractal Analytics Incorporated, USA	5,691	2,981
	Cuddle Artificial Intelligence Private Limited	157	115
	Theremin AI Solutions Private Limited	24	17
	Eugenie Technologies Private Limited	47	30
	Fractal Analytics Limited, UK*	0	1
	Asper.AI Inc, USA	11	3
	Senseforth AI Research Pvt. Ltd	23	-
	Final Mile Consultants Private Limited	-	4
<b>2</b>	<b>Trade payables</b>		
	Final Mile Consultants Private Limited	22	-
	Analytics Vidya Educon Private Limited	-	15
	Neal Analytics Services Private Limited	-	3
	Cuddle Artificial Intelligence Private Limited	-	2
<b>3</b>	<b>Intercompany loans</b>		
	Cuddle Artificial Intelligence Private Limited	254	186
	Eugenie Technologies Private Limited	10	17
	Senseforth AI Research Pvt. Ltd	116	-
	Fractal Alpha Private Limited*	0	-
<b>4</b>	<b>Interest receivable on intercompany deposit</b>		
	Cuddle Artificial Intelligence Private Limited	33	16
	Senseforth AI Research Pvt. Ltd	3	-
	Eugenie Technologies Private Limited*	0	-
<b>5</b>	<b>Credit liabilities from financial guarantees</b>		
	Fractal Analytics Incorporated, USA	80	127
<b>6</b>	<b>Deemed Investment in subsidiaries (Refer note 6)</b>		
	Fractal Analytics Inc, USA	390	268
	Fractal Analytics UK Limited, UK	233	17
	Theremin AI Solutions Private Limited	2	2
	Senseforth AI Research Pvt. Ltd	46	10
	Neal Analytics LLC	19	-

\*denotes amount less than Rs 1 Million.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (28) Related party transactions (continued)

Sr. No	Nature of Transaction	(In Rupees Million)	
		As at March 31, 2023	As at March 31, 2022
<b>7</b>	<b>Investment in 0.1% Compulsory Convertible Debentures</b> Eugenie Technologies Private Limited	92	92
<b>8</b>	<b>Investments in equity instruments in subsidiary</b> Fractal Private Limited, Singapore Fractal Analytics Incorporated, United States of America Cuddle Artificial Intelligence Private Limited Qure.ai Technologies Private Limited Final Mile Consultants Private Limited Theremin Ai Solutions Private Limited Eugenie Technologies Private Limited Asper.AI Technologies Private Limited Senseforth AI Research Private Limited Analytics Vidya Private Limited Neal Analytics Services Private Limited Fractal Alpha Private Limited	3 3,426 165 - 474 100 1 121 130 408 300 5	3 3,426 165 250 474 100 1 121 130 408 300 0
<b>9</b>	<b>Investments in preference shares in subsidiary</b> Theremin Ai Solutions Private Limited	53	53
<b>10</b>	<b>Investments in equity shares in associate</b> Qure.ai Technologies Private Limited	250	-
<b>11</b>	<b>Guarantee commission receivable</b> Fractal Analytics Incorporated, USA	125	-
<b>12</b>	<b>Provision for doubtful receivables</b> Eugenie Technologies Private Limited Theremin Ai Solutions Private Limited Cuddle Artificial Intelligence Private Limited	56 24 365	- - -

\*denotes amount less than Rs 1 Million.

\*\* Refer note 11 with respect to initial public offer expense

Key managerial personnel who are under the employment of the 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 Company as a whole and hence excluded.

The transactions with related parties are done in ordinary course of business. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Management believes that Company's international transaction with related parties post March 31, 2022 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of provision of taxation for the year ended March 31, 2023.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (29) Financial risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 the Company's activities. The Company, 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 Company.

### a) Credit risk

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

### Cash and cash equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low.

### Trade and other receivables

The Company'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 Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence and goodwill. Outstanding customer receivables are regularly monitored.

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

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	(in Rupees Million)	
Trade and Other receivables	March 31, 2023	March 31, 2022
Not past due	1,160	358
Past due but not impaired	5,205	3,107
Past due but impaired	9	1
<b>Total</b>	<b>6,374</b>	<b>3,467</b>

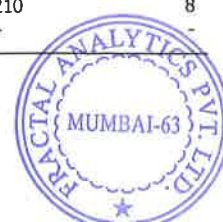
### b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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.

### Maturities of financial liabilities

The below table analyses the Company'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 amount		
		<12months	1- 2 Years	> 2 Years
<b>March 31, 2023</b>				
<b>Non Derivative financial instruments</b>				
Trade payables	229	229	-	-
Lease obligation	270	243	47	-
Other financial liabilities	725	725	-	-
<b>March 31, 2022</b>				
<b>Non Derivative financial instruments</b>				
Trade payables	244	244	-	-
Lease obligation	457	250	210	8
Other financial liabilities	587	587	-	-





# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (29) Financial risk management framework

### (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 Company'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 Company 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 Company 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 (₹), primarily in respect of Euros and United States Dollar. The Company ensures that the net exposure is kept to an acceptable level.

### Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

#### As at March 31, 2023

Particulars	(in Rupees Million)		
	USD	EUR	Others*
<b>Financial assets</b>			
Trade receivables	5,692	303	-
<b>Net exposure to foreign currency (assets)</b>	<b>5,692</b>	<b>303</b>	<b>-</b>
<b>Financial liabilities</b>			
Trade payables	-	-	-
<b>Net exposure to foreign currency (liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure to foreign currency</b>	<b>5,692</b>	<b>303</b>	<b>(0)</b>

#### As at March 31, 2022

Particulars	(in Rupees Million)		
	USD	EUR	Others*
<b>Financial assets</b>			
Trade receivables	2,981	358	-
<b>Net exposure to foreign currency (assets)</b>	<b>2,981</b>	<b>358</b>	<b>-</b>
<b>Financial liabilities</b>			
Trade payables-Intercompany	-	-	0
<b>Net exposure to foreign currency (liabilities)</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Net exposure to foreign currency</b>	<b>2,981</b>	<b>358</b>	<b>(0)</b>

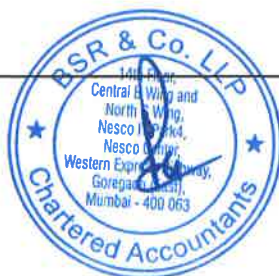
\*denotes amount less than Rs 1 Million.

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other 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.

Particulars	(in Rupees Million)	
	Impact on profit after tax and equity	
	March 31, 2023	March 31, 2022
USD		
- Increase by 5%	213	112
- Decrease by 5%	(213)	(112)
EUR		
- Increase by 5%	11	13
- Decrease by 5%	(11)	(13)
Others *		
- Increase by 5%	-	(0)
- Decrease by 5%	-	0

\*denotes amount less than Rs 1 Million.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (29) Financial risk management framework

### Outstanding Derivative contracts

The Company hedges exposures to changes in foreign currency. The counterparty for these contracts is a bank. All instruments of forward contracts are valued at fair value through profit and loss.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amount of contracts (in million)	Fair value (Rs in million)	Notional amount of contracts (in million)	Fair value (Rs in million)
(fair valuation through profit and loss)				
USD	51	4,282	26	2,010
EUR	6	501	-	-

### Sensitivity analysis

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.

Particulars	(in Rupees Million)	
	Impact on profit after tax and equity	
	March 31, 2023	March 31, 2022
USD		
- Increase by 5%	160	75
- Decrease by 5%	(160)	(75)
EUR		
- Increase by 5%	19	-
- Decrease by 5%	(19)	-

## (ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

### Exposure to interest rate risk

The Company's deposits/loans are all at fixed rate and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company has assessed no exposure to fluctuating change of market interest rates.

## (iii) Capital risk management

The Company 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 of the Company 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 Company's 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.



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (30) 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 and trade payables.

### (a) Financial instruments by category

(in Rupees Million)			
(i) Fair value through profit and loss	Level	March 31, 2023	March 31, 2022
<b>Assets</b>			
Investments	2	2,752	3,946
Derivative asset - Forward contract receivable	2	6	21
<b>Total assets</b>		<b>2,758</b>	<b>3,967</b>
<b>Liabilities</b>			
Derivative liability - Forward contract receivable	2	30	-
<b>Total liabilities</b>		<b>30</b>	<b>-</b>

(in Rupees Million)			
(ii) Amortised cost		March 31, 2023	March 31, 2022
<b>Assets</b>			
Investments		5,670	5,726
Trade receivables		6,374	3,467
Cash and cash equivalents		79	382
Loans		193	203
Other financial assets		337	349
<b>Total assets</b>		<b>12,652</b>	<b>10,127</b>
<b>Liabilities</b>			
Lease liability		270	457
Trade payables		230	244
Other financial liabilities		725	587
<b>Total liabilities</b>		<b>1,225</b>	<b>1,288</b>

**Note:** Carrying amounts of cash and cash equivalents, bank balances, trade receivables, unbilled receivables and trade payables as at March 31, 2023 and March 31, 2022 approximate their fair value due to their short-term nature.

### Note :

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



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (31) Leases

### Operating lease

#### Company as lessee

The Company has entered into cancellable leasing arrangement in respect of office premises for a period of 3-5 years which are renewable on mutual consent.

#### Ind AS 116 - Lease liabilities

Particulars	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022
Non-current	42	245
Current	228	212
<b>Total</b>	<b>270</b>	<b>457</b>

#### (i) Movement in Lease liabilities:

Particulars	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	457	595
Add: Addition made during the year	31	32
Add: Finance cost accrued during the year	39	57
Less: Payment of Lease Liabilities	(257)	(227)
<b>Closing Balance</b>	<b>270</b>	<b>457</b>

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

Particulars	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022
Payable within one year	243	250
Payable later than one year and not later than five years	47	218

(iii)	Lease payments recognized for short term leases in Statement of Profit and Loss	-	39
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The Company 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.



## Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

### (32) A Employee stock options scheme (ESOP)

The Company has granted stock 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 Company has issued grants to its various employees including employees of subsidiary company from time to time during financial years 2008 to 2023. 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.

For the year ended March 31, 2023

Particulars	2007 to 2011	2011 to 2014	2014-2015	2015-2016	2016-17	2017-2018	2018-19	2019-20	2020-21	2021-22	2022-23
	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	T-10	T-11
No. of Options granted	745,750	933,850	229,750	1,578,500	47,000	372,000	1,020,000	35,000	330,912	1,873,514	261,406
Exercise Price	1	40	279	279.81	595.26	595.26-610.00	610-640	640-846	846	846-2,270	846-3,218
Fair Value on Date of Grant of option (in Rs.)	2.60-4.47	7.58 to 249.16	101.93 to 219.35	101.43 to 478.27	216.15 to 283.48	203.56 to 270.66	197.58-267.45	104.79 to 231.07	136.31 - 382.58	170.59 to 1,663.75	654.23 to 1,707.20

#### Movement of Options Granted with Weighted Average Exercise Price (WAEP)

Particulars	As at March 31, 2023		As at March 31, 2022	
ESOPs	No. of options	WAEP	No. of options	WAEP
Options outstanding at the beginning of the year	2,856,378	787	1,970,078	545
Options granted during the year	261,406	2,120	1,873,514	895
Options lapsed during the year	(234,810)	1,026	(292,275)	706
Options settled/cancelled during the year	(55,737)	846	-	-
Options revived during the year	3,000	640	-	-
Options exercised during the year	(232,856)	506	(694,939)	426
Options outstanding at the end of the year	2,597,381	952	2,856,378	787

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 was Rs 1,109 (March 31, 2022: Rs. 545).

The weighted average stock price of the options granted during the year ended March 31, 2022 is Rs 2,270 (March 31, 2022 : Rs 1,126).

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

Exercise Price	1.00	40.00	279.81	595.26	610.00	640.00	846.00	2,270.00	3,128.00
No. of options outstanding	10,000	16,300	119,602	32,500	107,200	283,125	1,754,340	205,948	68,366
Weighted average remaining contractual life (in years)	-	2.44	6.15	6.01	8.14	8.71	8.94	9.24	9.12

Contracts with zero Weighted average remaining contractual life includes options where exercise date is extended.

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

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

Particulars	ESOP 2022-23	ESOP 2021-22
Risk Free Rate	5.45 % - 9.19 %	5.45 % - 9.19 %
Option Life (Based on Simplified Average Method)	5 to 7 years	5 to 7 years
Expected Volatility	9.76% - 63.91 %	9.76% - 63.91 %
Expected Growth in Dividend	0%	0%





## Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

### (32) B Management Stock Options Scheme (MSOP)

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 financial year 2022-2023. 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 MIPs 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 has been determined on fair value basis.

For the year ended March 31, 2023

Particulars	2022-2023	2022-2023	2021-2022	2021-2022
	Time Based	Performance based	Time based	Performance based
No. of Options granted	53,016	106,184	1,056,316	2,138,028
Exercise Price	846-2,270	846-2,270	846-2,270	846-2,270
Fair Value on Date of Grant of option (in Rs.)	1002.64 to 1,690.37	1022.19 to 1,693.12	176.92 to 1,663.75	176.92 to 1,663.75

#### Movement of Options Granted with Weighted Average Exercise Price (WAEP)

Particulars	Time Based		Performance Based		Time Based		Performance Based	
	As at March 31, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2022	
MSOPs	No. of options	WAEP	No. of options	WAEP	No. of options	WAEP	No. of options	WAEP
Options outstanding at the beginning of the year	1,055,156	1,054	2,135,688	1,054	-	-	-	-
Options granted during the year	53,016	1,580	106,184	1,579	1,056,316	1,056	2,138,028	1,056
Options lapsed during the year	(27,940)	1,702	(56,060)	1,702	(1,160)	2,270	(2,340)	2,270
Options settled/cancelled during the year	(19,630)	1,582	(56,040)	1,787	-	-	-	-
Options exercised during the year	-	-	-	-	-	-	-	-
Options outstanding at the end of the year	1,060,602	1,055	2,129,772	1,044	1,055,156	1,054	2,135,688	1,054

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 was Rs 1,351 (March 31, 2022: 770).

The weighted average stock price of the options granted during the year ended March 31, 2023 is Rs 2,270 (March 31, 2022 : Rs 1,459).

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

Exercise Price	846	2,270
No. of options outstanding	2,739,044	451,330
Weighted average remaining contractual life (in years)	8.20	8.99

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

The key assumptions in the Binomial Model for calculating fair value as on the date of grant:

Particulars	MSOP 2022-23	MSOP 2021-22
Risk Free Rate	5.75% to 7.13%	5.75% to 6.16%
Option Life (Based on Simplified Average Method)	5 years	5 years
Expected Volatility	19.98% -39.76%	19.98% -34.05%
Expected Growth in Dividend	0%	0%

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	(in Rupees million)	(in Rupees million)
Management Stock Options Scheme	387	50
Employee Stock Options Scheme	562	52
Total	1,049	102

Total ESOP expenses incurred for Financial year 2022-23 is Rs. 1573 million (March 31, 2022 : 189 million) of which Rs. 524 million (March 31, 2022 :Rs 87 million) are transferred to Fractal Analytics Incorporation, Fractal Analytics UK Limited, Neal Analytics LLC and Senseforth AI Research Private Ltd as it pertains to options given to employees of respective subsidiary companies. Hence, net charge to Profit and Loss for financial year 2022-23 is Rs. 1,049 million (March 31, 2023 : Rs 102 million).



## Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

### (33) Ratios

Ratio	Numerator	Denominator	March 31,2023	March 31,2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	6.64	6.22	6.87%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-3.89%	-0.26%	1391.39%	Change in ratio due to increase in loss during the year as compared to previous year.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade receivables	1.93	2.24	-13.85%	
Trade Payable Turnover Ratio	Purchases of services and other expenses	Average Trade Payables	5.75	5.46	5.39%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Average Working capital	1.21	1.26	-4.08%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-5.91%	-0.40%	1360.42%	Change in ratio due to increase in loss during the year as compared to previous year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Net Worth + Borrowings + Deferred tax liability	-2.51%	0.00%	110480.76%	Change in ratio due to increase in loss during the year as compared to previous year.
Return on Investment	Income generated from invested funds	Average Investments	4.68%	1.83%	155.61%	Increase in return on investment due to better management of surplus funds during the year



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (34) Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (loss) attributable to the equity holders of the Company (in Rupees Million)	(560)	(26)
Weighted average number of equity shares for EPS (in no's)	30,320,356	27,457,315
Adjustment for calculation of Diluted EPS (in no's)	2,382,100	2,103,015
Weighted average number of equity shares for Diluted EPS (in no's)	32,702,456	29,560,330
Earnings per share (in Rs.):		
- Basic	(18.47)	(0.93)
- Diluted	(18.47)	(0.93)
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 32. 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 the previous year ended March 31, 2022 and March 31, 2023, the options are anti-dilutive. Accordingly, there is no variation between basic and diluted earnings per share.

## (35) Income tax expense

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

### (a) Income tax expense is as follows:

(in Rupees Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Profit and loss</b>		
Current tax	134	-
Tax expense relating to prior years	5	(30)
Deferred tax (charge)/credit	6	(1)
<b>Total tax expense</b>	<b>145</b>	<b>(31)</b>
<b>Income tax expense</b>	<b>145</b>	<b>(31)</b>

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(Loss) before tax</b>	<b>(415)</b>	<b>(57)</b>
Tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>(104)</b>	<b>(14)</b>
Expenses not deductible for tax purpose	263	34
Tax expense relating to prior years	5	(30)
Impact due to different tax rate	-	(7)
Foreign tax credit	-	(14)
Utilisation of carryforward loss	(15)	-
Others	(4)	-
<b>Income tax expense</b>	<b>145</b>	<b>(31)</b>

## (36) Segment reporting

The Company publishes these standalone financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

## (37) Other Statutory Information

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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 Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,



# Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

## (38) Commitments and contingent liabilities

(in Rupees Million)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Commitments</b>		
Capital commitments	16	103
Guarantee given to financial institution on behalf of subsidiary	5,693	5,211
<b>(b) Contingent liabilities</b>		
Claims against the Company not acknowledged as debt:		
For income tax matters under appeal	98	93
(The Company believes that these claims are not tenable and hence no provision has been made in this regard)		

## (39) Corporate social responsibility

(in Rupees Million)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Corporate social responsibility expenditure</b>		
Amount required to be spent as per Section 135 of the Companies Act, 2013	6	8
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) Purposes other than (i) above	6	8
(iii) nature of CSR activities		
i) Contribution to Charitable Trust	6	8

The amount during the year has been spent towards education of underprivileged children and teachers, self-reliant rural society assured of food security, gender equity, low child mortality, etc.

## (40) During the previous year the Company has acquired controlling stake in below companies :

Name of the entity	Shares Acquired	% of shareholding	Consideration paid (Rs in millions)
Samya.AI Technologies Private Limited (w.e.f June 11, 2021)	9,674,643	100%	121
Senseforth AI Research Private Limited (w.e.f August 27, 2021)	100,000	100%	130
Analytics Vidya Educon Private Limited (w.e.f November 22, 2021)	127,023	55.92%	408
Neal Analytics India Private Limited (w.e.f December 24, 2021)	10,000	100%	300
<b>Total</b>			<b>959</b>

- (41) During the year, Qure.ai sought investment in its equity shares from external investors resulting in the Company's deemed loss of control in Qure.ai. The Company has assessed that it has significant influence over Qure.ai and has considered it as associate Company with effect from April 08, 2022. For the administrative purpose, deemed loss of control and significant influence thereafter is considered with effect from April 01, 2022.

## (42) Subsequent events after March 31, 2023 :

(a) Subsequent to year-end, Cuddle Artificial Intelligence Private Limited ("Cuddle") vide board resolution dated April 26, 2023 have proposed to transfer the product/ intellectual property along with associated assets, liabilities, licenses, intellectual property rights, regulatory approvals, permits, contracts and employees in relation to the product by means of a business transfer from the Cuddle to Fractal Analytics Private Limited, as a going concern by way of slump sale. Also, based on the financial position of Cuddle, the Company and other Group Companies have given approval towards waiver of outstanding borrowings and payables vide board resolution dated April 26, 2023.

(b) Subsequent to year-end, Neal Analytics Services Private Limited ("Neal") vide board resolution dated April 26, 2023 has proposed to transfer the assets, liabilities, regulatory approvals, permits, contracts and employees of the Neal to Fractal Analytics Private Limited, as a going concern by way of slump sale.

(c) Subsequent to year-end, Final Mile Consultants Private Limited ("Final Mile") vide board resolution dated May 26, 2023 has proposed to transfer the assets, liabilities, regulatory approvals, permits, contracts and employees of the Final Mile to Fractal Analytics Private Limited, as a going concern by way of slump sale.



## Fractal Analytics Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

(43) (a) The financial statements were authorised for Issue by the Company's Board of directors on July 19, 2023.

(43) (b) Previous year figures have been regrouped / reclassified to confirm to current year presentation.

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: July 19, 2023

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

CIN: U72400MH2000PTC125369



**Srikanth Velamakanni**

Director

DIN: 01722758

New Delhi

Date: July 19, 2023



**Gulu Mirchandani**

Director

DIN: 00026664

Mumbai

Date: July 19, 2023



**Somya Agarwal**

Company Secretary

Membership number: A17336

Mumbai

Date: July 19, 2023