# Fractal Analytics Ltd.

*February 5, 2026*

## IPO Details

| | |
|---|---|
| IPO Date | 9th to 11th Feb, 2026 |
| Face Value | ₹1 per share |
| Price Band | ₹857 to ₹900 |
| Lot Size | 16 Shares |
| Sale Type | Fresh Capital-cum-Offer for Sale |
| Total Issue Size | 3,14,87,777 shares (agg. up to ₹2,834 Cr) |
| Fresh Issue | 1,13,72,222 shares (agg. up to ₹1,023 Cr) |
| Offer for Sale | 2,01,15,555 shares of ₹1 (agg. up to ₹1,810 Cr) |
| Issue Type | Book building IPO |
| Listing At | BSE, NSE |
| Employee Discount | ₹85.00 |
| Shareholding pre issue | 16,05,56,718 shares |
| Shareholding post issue | 17,19,28,940 shares |
| QIB Shares Offered | Not less than 75% of the Net Offer |
| Retail Shares Offered | Not more than 10% of the Net Offer |
| NII (HNI) Shares Offered | Not more than 15% of the Net Offer |
| Retail (Min & Max ) shares | 16 Shares & 208 shares |
| Retail (Min & Max ) application amount | ₹14,400 & ₹1,87,200 |
| S-HNI (Min shares & application amount) | 224 shares & ₹2,01,600 |
| S-HNI (Max shares & application amount) | 1,104 shares & ₹9,93,600 |
| B-HNI (Min shares & application amount) | 1,120 shares & ₹10,08,000 |
| Basis of Allotment | Thu, Feb 12, 2026 |
| Initiation of Refunds | Fri, Feb 13, 2026 |
| Credit of Shares to Demat | Fri, Feb 13, 2026 |
| Listing Date | Mon, Feb 16, 2026 |
| Cut-off time for UPI mandate confirmation | 5 PM on Wed, Feb 11, 2026 |
| Promoters | Srikanth Velamakanni, Pranay Agrawal, Chetana Kumar, Narendra Kumar Agrawal and Rupa Krishnan Agrawal. |
| Registrar | MUFG Intime India Pvt.Ltd. |

**Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to our helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com**

## Company Profile

Fractal Analytics Limited is a globally recognized enterprise artificial intelligence (AI) company founded in 2000 with the vision of powering human decisions across large global enterprises. The company's operations are organized into two primary business segments:

• Fractal.ai: This segment comprises AI services and AI products, the latter of which are primarily hosted on Cogentiq, an agentic AI platform that utilizes a suite of pre-built agents and tools to accelerate business transformation.

• Fractal Alpha: This segment serves as an ecosystem for independent AI businesses, which are either incubated internally or acquired, providing specialized subscription or licensable offerings such as Asper.ai and Analytics Vidhya.

## Objects of the Issue

- ❑ Offer for Sale – Rs. 1,810 Crore
- ❑ Investment in one of the Subsidiaries, Fractal USA, for pre-payment and/or scheduled repayment, in full or in part, of its borrowings – Rs. 264.9 Crore
- ❑ Purchase of laptops – Rs. 57.1 Crore
- ❑ Setting-up new office premises in India – Rs. 121.1 Crore
- ❑ Investment in (a) research and development; and (b) sales and marketing under Fractal Alpha – Rs. 355.1 Crore
- ❑ Funding inorganic growth through unidentified acquisitions and other strategic initiatives, and general corporate purposes – Rs. 224.8 Crore

## Financial Details

| Particulars (Amount in Crores) | Six months period ended 30-Sep-25 | 31-Mar-25 | 31-Mar-24 | 31-Mar-23 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue from Operations | 1559 | 2765.4 | 2196.3 | 1985.4 |
| Other income | 35.3 | 50.8 | 45.6 | 58.3 |
| **Total Income** | **1594.3** | **2816.2** | **2241.9** | **2043.7** |
| **Expenses** | | | | |
| - Employee Benefit Expense | 1125.2 | 2004.8 | 1737 | 1608.5 |
| - Employee stock option expense | 27 | 79.8 | 96.3 | 158.7 |
| - Finance costs | 23.3 | 57.7 | 44.5 | 45.3 |
| - Depreciation and amortization expense | 63.5 | 102.3 | 83.2 | 78.1 |
| - Other expenses | 207.2 | 330.9 | 289.6 | 334.6 |
| **Total expenses** | **1446.2** | **2575.5** | **2250.6** | **2225.2** |
| **EBITDA** | **150.3** | **347.2** | **51.6** | **378.5** |
| **EBITDA Margin (%)** | **9.64%** | **12.56%** | **2.35%** | **19.06%** |
| - Share of (loss) of an associate | 44.5 | 29.7 | 16.3 | 29 |
| - Exceptional items (loss) /gain | (4.8) | 27 | (5.5) | 523.9 |
| **Profit/(Loss) before tax** | **98.8** | **238** | **(30.5)** | **313.4** |
| Tax expense/(credit) | 27.9 | 17.4 | 24.2 | 119 |
| **Profit/(Loss) After Tax** | **70.9** | **220.6** | **(54.7)** | **194.4** |
| **PAT Margin (%)** | **4.45%** | **7.83%** | **(2.44%)** | **9.51%** |
| **Basic EPS (in Rs.)** | 4.55 | 14.49 | (3.12) | 13.39 |

| Key Metrics | 30-Sep-25 | Mar-25 | Mar-24 | Mar-23 |
|---|---|---|---|---|
| **Net Revenue Retention (NRR) Rate (%)** | **114** | **121.3** | **110.2** | **151** |
| **Clients by annual revenue contribution** | | | | |
| >US$20 million | **4** | **5** | **2** | **1** |
| >US$10 million | **7** | **6** | **5** | **5** |
| >US$5 million | **17** | **15** | **11** | **10** |
| >US$1 million | **52** | **53** | **48** | **45** |

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Source: RHP of the Company

## Competitive Strengths

- **Leading Player in a large and growing AI market:** Fractal is India's leading pure-play enterprise data, analytics and AI company (DAAI), recognized globally, with capabilities across the DAAI value chain. The overall DAAI market can be interpreted as Fractal's total addressable market ("TAM"), valued at an estimated US$143 billion (₹12 trillion) in Fiscal 2025 and is estimated to grow at a CAGR of 16.7% to reach US$310 billion (₹23 trillion) by Fiscal 2030.

- **Long-standing relationships with clients:** The Company works with marquee clients across their focus industries of consumer packaged goods and retail (CPGR), technology, media and telecom (TMT), healthcare and life sciences (HLS) and banking, financial services and insurance (BFSI). Fractal's clients include Citi, Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestle, Philips, among others. Among top 10 clients in the six months ended September 30, 2025, they have been engaged by a US-based global technology company for over eight years; a US-based multinational CPG corporation for over 19 years; and a global HLS player for over 10 years.

- **Technical, domain and functional expertise:** Fractal integrates AI, engineering, and design (AED) to provide scalable solutions. It's approach is "user-centric and decision-backwards," reframing business problems from the end-user perspective rather than starting with available data. The company possesses deep expertise in focus industries such as CPGR, TMT, HLS, and BFSI.

- **Track Record of Inventing and Investing:** Fractal consistently invests in R&D, which accounted for 6.1% of its revenue from operations in the six months ended September 30, 2025. This focus has resulted in 28 registered patents and 38 pending applications as of January 19, 2026. The company has developed its own foundation models, such as Kalaido.ai (text-to-image) and Vaidya.ai (medical multi-modal), and has successfully scaled through strategic acquisitions like FinalMile and Neal Analytics.

- **Experienced Founder-led Management:** The company is led by its co-founders, Srikanth Velamakanni and Pranay Agrawal, who have managed the business for over 25 years since its inception. The broader leadership team maintains an average tenure of over 12 years, providing consistent strategic direction and industry thought leadership.

## Key Risk Factors

- **Cybersecurity and Data Privacy:** Security breaches, cyber-attacks, and hacking activities are major threats, as evidenced by a 2020 ransomware attack that resulted in temporary system unavailability and the loss of a client. The company relies on cloud storage and third-party vendors, making it vulnerable to diverse attack vectors like malware and social engineering. Furthermore, 55% of enterprise leaders surveyed expressed concerns regarding data security and privacy associated with Generative AI.

- **Client and Industry Concentration:** The company faces significant client concentration risk, deriving 54.2% of its Fractal.ai segment revenue from its top 10 clients in the six months ended September 30, 2025. Additionally, its revenue is heavily reliant on a few focus industries: CPGR contributed 37.5%, and TMT contributed 27.2% of its Fractal.ai revenue in the same period. Any decrease in demand for AI solutions in these sectors or the loss of Must Win Clients* (MWCs) could materially impact the business.

- **Financial and Operational Risks:** Fractal recorded a net loss in Fiscal 2024 and experienced losses before exceptional items in Fiscals 2024 and 2023. There is no assurance that it will maintain profitability as it expands. The company has reported negative cash flows from operating activities in the past, including ₹ 214 million in the six months ended September 30, 2025.

- **Geographic Concentration:** The Company derived 64.9%, 64.1%, 65.2%, 61.9% and 66.0% of their revenue from operations from the United States of America for the six months ended September 30, 2025, six months ended September 30, 2024, Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively. This exposes the company to risks such as shifting global trade policies and the imposition of international tariffs.

- **Regulatory Compliance:** The business is subject to complex and evolving laws regarding AI, privacy, and data protection, such as the EU AI Act, GDPR, and India's Digital Personal Data Protection Act, 2023. Non-compliance can lead to massive fines, up to 7% of worldwide annual turnover for breaches of the EU AI Act.

*Fractal defines "Must Win Clients" (MWCs) as large-scale enterprise customers that have generated revenue for the company in the trailing 12 months. To qualify as an MWC, a client must meet at least one threshold of scale, including annual revenue exceeding US$10 billion, market capitalization above US$20 billion, or a customer base of more than 30 million end users or customers.

## Comparison with Listed Peers

| Name of the Companies. | Market Price | Face Value (per Share) | P/E Ratio | EPS (Basic) | EPS (Diluted) | RoNW (%) | NAV (per Share) |
|---|---|---|---|---|---|---|---|
| Fractal Analytics Ltd. | NA | 1 | 65.50* | 13.74** | 12.99** | 12.6% | 104 |
| No listed peers | | | | | | | |

* P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

## Summary

Fractal Analytics Limited is a globally recognized pure-play enterprise AI company founded in 2000 with a vision to power human decisions across large global enterprises. The company is led by its founders, Srikanth Velamakanni and Pranay Agrawal, who have managed the business for over 25 years since its inception. Geographically, Fractal has a significant international footprint, deriving 92.4% of its revenue from outside India, with the United States (64.9%) and Europe (21.0%) being its largest markets.

The DAAI services market, which accounted for an estimated 31.9% (US$143 billion or ₹12 trillion) of overall third-party digital services spend in Fiscal 2025 and is projected to reach 44.1% (US$310 billion or ₹26 trillion) by Fiscal 2030, is being propelled by several structural growth drivers. Enterprises are increasingly adopting DAAI to strengthen competitive advantage by shaping customer behavior, identifying whitespace opportunities, and driving cost and operational efficiency through automation. This growth is reinforced by rapid technological advances, including the surge in IoT-generated data, improved compute capabilities, and declining AI inference costs. The shift of generative AI into production and the emergence of agentic AI enabling autonomous, real-time decision-making are further accelerating demand. In parallel, scalable cloud infrastructure, expanding open-source ecosystems, and low-code/no-code tools are democratizing AI adoption, while acute talent shortages are pushing enterprises to rely on third-party DAAI providers. Finally, tightening regulatory and security requirements, particularly in BFSI and healthcare, are driving sustained adoption of DAAI services for risk management, fraud detection, and compliance.

The proposed capital deployment is expected to support sustained growth and value creation by strengthening core operations and enhancing execution capabilities. Investments in subsidiaries, infrastructure, and employee productivity are likely to improve operational efficiency and support scale-up plans, while increased spending on R&D and sales and marketing should drive innovation and accelerate revenue growth. Additionally, the allocation toward inorganic growth and strategic initiatives provides flexibility to pursue acquisitions and capability expansion, reinforcing the company's competitive positioning and long-term growth trajectory.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment, considering its growth potential.

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### Prepared By:

### Research Analyst : Anmol Grover

*Email ID: anmolgrover@adroitfinancial.com*

### Research Associate : Bhavin Tharwani

*Email ID: bhavintharwani@adroitfinancial.com*

Phone Number: 0120-4550300*270/388


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