Special Purpose Ind AS Financial Statements

Capillary Technologies (Malaysia) Sdn. Bhd.

nk associates
(Chartered Accountants)
(AF 1313)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No: 201701025567 (1239733-D))
(Incorporated in Malaysia)

Opinion

We have audited the accompanying Special Purpose Ind AS Financial Statements of Capillary Technologies (Malaysia) Sdn. Bhd. (the "Company"), which comprises the Balance sheet as at June 30, 2021, March 31, 2021, March 31, 2020, March 31, 2019 and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the period ended June 30, 2021 and the year then ended March 31, 2021, March 31, 2020, March 31, 2019 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). These Special Purpose Ind AS Financial Statements have been prepared by the Management as per group accounting policies of Capillary Technologies India Limited (formerly known as 'Capillary Technologies India Private Limited') (' the Parent Company ')

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Financial Statements are prepared in all material respects in accordance with the basis of preparation as set out in Note 2 of the notes to the accompanying Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Ind AS Financial Statements in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA) together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Financial Statements in Malaysia and we have fulfilled our other 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 audit opinion on the Special Purpose Ind AS Financial Statements.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No: 201701025567 (1239733-D))
(Incorporated in Malaysia)

Responsibility of Management and Those Charged with Governance for the Special Purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Ind AS Financial Statements in accordance with the basis of preparation as set out in Note 2 of the Special Purpose Ind AS Financial Statements. This responsibility also includes maintenance of adequate accounting records 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, Board of Directors of the Parent Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Parent Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Parent Company are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 ISAs 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 Special Purpose Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose Ind AS 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.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No: 201701025567 (1239733-D))
(Incorporated in Malaysia)

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS 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.

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.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No: 201701025567 (1239733-D))
(Incorporated in Malaysia)

Other matters - restriction of use

The accompanying Special Purpose Ind AS financial statements have been prepared, and this report thereon issued, solely for the purpose of preparation of Proforma Financial Statements of Capillary Technologies India Limited (formerly known as 'Capillary Technologies India Private Limited') for the period ended June 30, 2021 and year ended March 31, 2021, March 31, 2020 and March 31, 2019 and inclusion in the Draft Red Herring Prospectus ("DRHP"),Red Herring Prospectus ("RHP") and Prospectus and for the use by the current statutory auditor of the Capillary Technologies India Limited (formerly known as 'Capillary Technologies India Private Limited') in connection with the Capillary Technologies India Limited's (formerly known as 'Capillary Technologies India Private Limited') proposed initial public offering of equity shares in Initial Public Offer. Accordingly, this report should not be used, referred to or distributed for any other purpose.

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

For NK Associates
Chartered Accountants
Registration Number : AF1313

Per Krishnan A/L Nachiappen
Partner

Place of Signature: Puchong, Selangor, Malaysia

Date: December 06, 2021

Capillary Technologies (Malaysia) Sdn. Bhd.
Special Purpose Ind AS financial statements
Balance Sheet

(₹ in Million)

	Notes	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
I Assets						
(1) Non-current assets						
(a) Property, plant and equipment	4	0.16	0.18	0.34	0.20	-
(b) Right-of-use assets	5	1.66	2.04	3.50	-	-
		1.82	**2.22**	**3.84**	**0.20**	**-**
(2) Current assets						
(a) Financial assets						
(i) Trade receivables	6	8.18	9.96	8.87	10.97	3.74
(ii) Cash and cash equivalents	7	8.06	15.82	6.36	18.64	8.23
(iii) Loans	8	-	-	0.02	0.13	-
(iv) Other financial assets	9	5.67	5.63	2.33	1.54	7.15
(b) Other current assets	10	0.99	0.29	0.20	4.14	-
		22.90	**31.70**	**17.78**	**35.42**	**19.12**
Total assets (1+2)		**24.72**	**33.92**	**21.62**	**35.62**	**19.12**
II Equity and liabilities						
(1) Equity						
(a) Equity share capital	11	8.33	8.33	8.33	8.33	8.33
(b) Other equity	12	(80.69)	(75.69)	(67.04)	(33.28)	(2.73)
Total equity		**(72.36)**	**(67.36)**	**(58.71)**	**(24.95)**	**5.60**
(2) Non-current liabilities						
(a) Financial liabilities						
Lease liabilities	5	0.21	0.56	2.10	-	-
		0.21	**0.56**	**2.10**	**-**	**-**
(3) Current liabilities						
(a) Financial liabilities						
(i) Lease liabilities	5	1.59	1.58	1.29	-	-
(ii) Trade payables						
Total outstanding dues of micro enterprises and small enterprises		-				
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	78.08	79.40	58.34	45.10	13.52
(iii) Other financial liabilities	14	4.17	6.53	7.52	7.44	-
(b) Other current liabilities	15	12.51	12.72	10.68	7.81	-
(c) Provisions	16	0.52	0.49	0.40	0.22	-
		96.87	**100.72**	**78.23**	**60.57**	**13.52**
Total liabilities (2+3)		**97.08**	**101.28**	**80.33**	**60.57**	**13.52**
Total equity and liabilities (1+2+3)		**24.72**	**33.92**	**21.62**	**35.62**	**19.12**

Summary of significant accounting policies (Refer note 3)
The accompanying notes are an integral part of the financial statements

As per our report of even date
For NK Associates
Chartered Accountants

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

Krishnan A/L Nachiappen
Partner

Place: Puchong, Selangor, Malaysia
Date: 06 DEC 2021

For and on behalf of the Board of Directors of
Capillary Technologies (Malaysia) Sdn. Bhd.

CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Aneesh Reddy Boddu
Director

Place: Bengaluru, India
Date: December 06. 2021

Selva Kumari A/P Karuppiah
Director

Place: Puchong, Selangor, Malaysia
Date: December 06. 2021

Capillary Technologies (Malaysia) Sdn. Bhd.
Special Purpose Ind AS financial statements
Statement of Profit and Loss

(₹ in Million)

	Notes	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue					
Revenue from operations	17	8.53	45.47	45.24	39.95
Other income	18	0.03	3.02	1.11	-
Finance income	19	0.01	0.02	0.02	-
Total income		**8.57**	**48.51**	**46.37**	**39.95**
II Expenses					
Cost of campaign services		1.39	9.77	5.36	-
Professional and consultancy services		3.84	16.04	37.58	50.58
Employee benefit expenses	20	10.01	27.93	24.43	7.88
Depreciation and amortization expenses	21	0.41	1.72	1.53	0.05
Finance costs	22	0.03	0.17	0.22	0.01
Other expenses	23	0.48	1.52	10.15	12.25
Total expenses		**16.16**	**57.15**	**79.27**	**70.77**
III Profit / (loss) before tax (I - II)		**(7.59)**	**(8.64)**	**(32.90)**	**(30.82)**
IV Tax expenses					
(a) Current tax		-	-	-	-
(b) Deferred tax charge/ (credit)		-	-	-	-
Total tax expenses		-	-	-	-
V Profit / (loss) for the period / year (III - IV)		**(7.59)**	**(8.64)**	**(32.90)**	**(30.82)**
VI Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
(i) Foreign currency translation		(0.25)	(1.14)	(1.02)	0.27
(ii) Income tax effect on above		-	-	-	-
Total other comprehensive income / (loss) for the period / year, net of tax		**(0.25)**	**(1.14)**	**(1.02)**	**0.27**
VII Total comprehensive income / (loss) for the period / year (net of tax) (V + VI)		**(7.84)**	**(9.78)**	**(33.92)**	**(30.55)**
VIII Earnings per equity share (nominal value of MYR 1 each)	24				
Basic (INR)		(15.18)	(17.28)	(65.79)	(61.63)
Diluted (INR)		(15.18)	(17.28)	(65.79)	(61.63)

Summary of significant accounting policies (Refer note 3)
The accompanying notes are an integral part of the financial statements

As per our report of even date
For NK Associates
Chartered Accountants

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

Krishnan A/L Nachiappen
Partner

Place: Puchong, Selangor, Malaysia
Date: 06 DEC 2021

For and on behalf of the Board of Directors of
Capillary Technologies (Malaysia) Sdn. Bhd.

Aneesh Reddy Boddu
Director

Place: Bengaluru, India
Date: December 06, 2021

CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Selva Kumari A/P Karuppiah
Director

Place: Puchong, Selangor, Malaysia
Date: December 06, 2021

Capillary Technologies (Malaysia) Sdn. Bhd.
Special Purpose Ind AS financial statements
Statement of Changes in Equity

A. Equity share capital

Equity shares of MYR 1 each issued, subscribed and fully paid

Particulars	Number of shares	₹ in Million
At April 01, 2018	**5,00,100**	**8.33**
Add: Issued during the year	-	-
At March 31, 2019	**5,00,100**	**8.33**
Add: Issued during the year	-	-
At March 31, 2020	**5,00,100**	**8.33**
Add: Issued during the year	-	-
At March 31, 2021	**5,00,100**	**8.33**
Add: Issued during the period	-	-
At June 30, 2021	**5,00,100**	**8.33**

B. Other Equity*

(₹ in Million)

Particulars	Attributable to the equity shareholders			Total other equity
	Reserves and Surplus			
	Retained earnings	Capital contibution from parent	Other Components of equity	
			FCTR	
As at April 01, 2018	(2.73)	-	-	**(2.73)**
Profit for the period	(30.82)	-	-	**(30.82)**
Other comprehensive income or (loss) for the period	-	-	0.27	**0.27**
Capital contribution from parent	-	-	-	**-**
As at March 31, 2019	**(33.55)**	-	**0.27**	**(33.28)**
Profit for the period	(32.90)	-	-	**(32.90)**
Other comprehensive income or (loss) for the period	-	-	(1.02)	**(1.02)**
Capital contribution from parent	-	0.16	-	**0.16**
As at March 31, 2020	**(66.45)**	**0.16**	**(0.75)**	**(67.04)**
Profit for the period	(8.64)	-	-	**(8.64)**
Other comprehensive income or (loss) for the period	-	-	(1.14)	**(1.14)**
Capital contribution from parent	-	1.13	-	**1.13**
As at March 31, 2021	**(75.09)**	**1.29**	**(1.89)**	**(75.69)**
Profit for the period	(7.59)	-	-	**(7.59)**
Other comprehensive income or (loss) for the period	-	-	(0.25)	**(0.25)**
Capital contribution from parent	-	2.84	-	**2.84**
As at June 30, 2021	**(82.68)**	**4.13**	**(2.14)**	**(80.69)**

*Also refer note 12

Summary of significant accounting policies (Refer note 3)
The accompanying notes are an integral part of the financial statements

As per our report of even date
For NK Associates
Chartered Accountants

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

Krishnan A/L Nachiappen
Partner

Place: Puchong, Selangor, Malaysia
Date: 0 6 DEC 2021

For and on behalf of the Board of Directors of
Capillary Technologies (Malaysia) Sdn. Bhd.

Aneesh Reddy Boddu
Director

Place: Bengaluru, India
Date: December 06, 2021

CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Selva Kumari A/P Karuppiah
Director

Place: Puchong, Selangor, Malaysia
Date: December 06, 2021

Capillary Technologies (Malaysia) Sdn. Bhd.
Special Purpose Ind AS financial statements
Statement of Cash Flows

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from/ (used in) operating activities				
Profit / (loss) before tax	(7.59)	(8.64)	(32.90)	(30.82)
Adjustments to reconcile (loss) / profit before tax to net cash flows				
Depreciation and amortisation expenses	0.41	1.72	1.53	0.05
Provision for doubtful trade receivables and advances (including bad debts written off)	-	-	0.61	0.49
Finance costs	-	0.01	0.01	0.01
Interest on Lease Liabilities	0.03	0.16	0.21	-
Employee stock option expenses	2.84	1.13	0.16	-
Net foreign exchange differences	0.06	(2.02)	3.04	1.06
Finance income	(0.01)	(0.02)	(0.02)	-
Provision/ liabilities no longer required, written back	-	(0.68)	(0.09)	-
Effect of changes in exchange rates	0.25	1.14	1.02	(0.27)
Operating profit before working capital changes	**(4.01)**	**(7.20)**	**(26.43)**	**(29.48)**
Working capital adjustments :				
(Increase) / decrease in trade receivables	1.78	(1.09)	1.49	(7.72)
Decrease / (increase) in current other financial and other assets	(0.74)	3.37	3.26	1.34
Increase / (decrease) in trade payables	(1.32)	21.06	13.24	31.58
Increase / (decrease) in trade payables, current other financial, other liabilities and provisions	(3.10)	1.48	2.92	14.94
Cash generated (used in) / from operations	**(7.39)**	**10.88**	**(5.52)**	**10.66**
Net income tax paid (net)	-	-	-	-
Net cash flow (used in) / from operating activities (A)	**(7.39)**	**10.88**	**(5.52)**	**10.66**
B. Cash flow from/ (used in) investing activities				
Purchase of property, plant and equipment	-	-	(5.13)	(0.25)
Net cash used in investing activities (B)	-	-	**(5.13)**	**(0.25)**
C. Cashflows from/ (used in) financing activities				
Principal payment of lease liabilities	(0.37)	(1.41)	(1.62)	-
Finance costs paid	-	(0.01)	(0.01)	(0.01)
Net (used in) / cash from financing activities (C)	**(0.37)**	**(1.42)**	**(1.63)**	**(0.01)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(7.76)**	**9.46**	**(12.28)**	**10.40**
Cash and cash equivalents at the beginning of the period / year	15.82	6.36	18.64	8.24
Cash and cash equivalents at the end of the period / year	**8.06**	**15.82**	**6.36**	**18.64**

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Capillary Technologies (Malaysia) Sdn. Bhd.
Special Purpose Ind AS financial statements
Statement of Cash Flows

Explanatory notes to statements of cash flows

-Changes in liabilities arising from financing activities:-

(₹ in Million)

Particulars	Lease liabilities (including current portion of lease liabilities) (refer note 5)
As at April 01, 2019	**4.80**
Cash flow changes	
Recognition of lease liabilities (refer note 5)	(1.62)
Non-cash changes	
Accretion of interest on lease liabilities (refer note 5)	0.21
As at March 31, 2020	**3.39**
Cash flow changes	
Recognition of lease liabilities (refer note 5)	(1.41)
Non-cash changes	
Accretion of interest on lease liabilities (refer note 5)	0.16
As at March 31, 2021	**2.14**
Cash flow changes	
Recognition of lease liabilities (refer note 5)	(0.37)
Non-cash changes	
Accretion of interest on lease liabilities (refer note 5)	0.03
As at June 30, 2021	**1.80**

Note:
The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Summary of significant accounting policies (Refer note 3)
The accompanying notes are an integral part of the financial statements

As per our report of even date
For NK Associates
Chartered Accountants

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

Krishnan A/L Nachiappen
Partner

Place: Puchong, Selangor, Malaysia
Date: 0 6 DEC 2021

For and on behalf of the Board of Directors of
Capillary Technologies (Malaysia) Sdn. Bhd.

Aneesh Reddy Boddu
Director

Place: Bengaluru, India
Date: December 06, 2021

CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Selva Kumari A/P Karuppiah
Director

Place: Puchong, Selangor, Malaysia
Date: December 06, 2021

Capillary Technologies (Malaysia) Sdn Bhd
Notes to the Special Purpose Ind AS Financial Statements

1. Corporate information

The financial statements comprise financial statements of Capillary Technologies (Malaysia) Sdn. Bhd. for the period ended June 30, 2021 and year ended March 31, 2021; March 31, 2020; March 31, 2019.

The Company is a private limited company incorporated and domiciled in Malaysia. The registered office of the Company is located at Unit D-3A-4, Level 4, Block D, SetiaWalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan. The principal place of business is located at 31-16, 31st Floor, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The company is principally engaged in the business of software and data analytical services.

2 Basis of preparation

The special purpose financial statements of the company have been prepared in accordance with the group accounting policies as adopted in the Restated Summary statements for the three months period ended June 30, 2021, year ended March 31, 2021, March 31, 2020 and March 31, 2019 by the group company 'Capillary Technologies India Limited' India (formerly known as 'Capillary Technologies India Private Limited') and presentation requirements of Division II of Schedule III to the India Companies Act, 2013, (Ind AS compliant Schedule III), with effect from April 01, 2021. In addition, the Company has complied with the accounting policies and presentation requirements of Division II of Schedule III to the Companies Act, 2013 for all the historical financial years, to make the accounting policies and the presentation requirements consistent to those used in the financial statements for the three months period ended June 30, 2021.

These statements have been prepared by the Management -

a) For the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP', in connection with the proposed initial public offering of equity shares of face value of ₹ 2 each of Capillary Technologies India Limited.

b) For the purpose of preparation of the Proforma financial statements which are being prepared for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP'), in connection with the proposed initial public offering of equity shares of face value of ₹ 2 each of Capillary Technologies India Limited.

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

This note provides a list of the significant accounting policies adopted in the preparation of these Special Purpose financial Statements. These policies have been consistently applied to all the years/ periods presented, unless otherwise stated.

3 Summary of significant accounting policies

Current versus non-current classification

a. Current versus non-current classification

The Company presents assets and liabilities in the Financial Statements on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
► Disclosures for valuation methods, significant estimates and assumptions
► Quantitative disclosures of fair value measurement hierarchy
► Investment in unquoted equity shares
► Financial instruments (including those carried at amortised cost)

c. Revenue recognition

Revenue from operations is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must be met before revenue is recognised:

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 17.

Income from services

i) **Retainer services**
The Company is engaged in the business of providing cloud based intelligent customer engagement software solutions to retail chain operators. Revenue is recognized on an accrual basis as and when services are rendered in accordance with the arrangement with the customers.

ii) **Campaign services**

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The Company provides SMS campaign services that are bundled together with the retainer services. The Company recognises revenue based on the usage of messaging services i.e., when the Company's services are used based on the specific terms of the contract with customers. Billing in excess of revenue pertains to amount billed to customer for services to be rendered in future periods and has been disclosed as contract liabilities.

iii) Installation services

The Company provides a one-time installation services that are bundled together with the retainer services. The Company recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company uses an input method in measuring progress of the installation services because there is a direct relationship between the Company's effort and the transfer of service to the customer. The Company recognises revenue on the basis of the milestone achieved which corelates with hours expended relative to the total expected hours to complete the service.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified installation milestones. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Company has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Company performs under the contract.

Other income

i) Interest Income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

ii) Dividend Income

Dividend income is recognized when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section t) Financial instruments – initial recognition and subsequent measurement below

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement below

Capitalised contract costs

The Company pays sales commission to its employees for each installation and retainer contract that they obtain. Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Company recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses. The maximum period over which the Company expects to derive benefit from contracts entered into with customers is 3 years. The Company has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is over year or less.

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Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

d. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e. Property, plant and equipment

As at proforma date of transition to Ind AS i.e. April 01, 2018, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2018.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as follows:

Sl. No.	Block	Useful lives estimated by the management (in years)
1	Office equipment	5
2	Computers	3
3	Furniture and fixtures	10

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office space 2 to 4 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-

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value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

g. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets, including goodwill and investments in subsidiary to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Company operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss

h. Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

Provisions and contingent liability are reviewed at each balance sheet.

i. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the financial statements if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company presents the leave as a current liability in the Balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income.

j. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and 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.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets excluding investments in subsidiaries and associates

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.
For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

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

Financial Liabilities

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Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or 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 de-recognition 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.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. Segment reporting

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
CODM evaluates the performance of the Company based on the single operative segment as cloud based intelligent customer engagement software solutions to retail chain operators. Therefore, there is only one reportable segment called CRM services in accordance with the requirement of Ind AS 108 "Operating Segments".

l. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

m. Share-based payments

Certain employees of the Company share-based payments, whereby employees render services as consideration for equity instruments of the holding company (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Refer note 27 for further details.

That cost is recognised, together with a corresponding increase in Capital contribution from parent reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n. Dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

o. Foreign currencies

The Company's financial statements are presented in INR, which is also the parent company's functional currency. The Company's functional currency is Malaysian Ringgit (MYR) and items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Capillary Technologies (Malaysia) Sdn. Bhd.
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(₹ in Million)

4 Property, plant and equipment

Particulars	Computers	Furniture and Fixtures	Office Equipments	Total
Cost				
As at April 01, 2018	-	-	-	-
Additions	0.25	-	-	0.25
Disposals / adjustments	-	-	-	-
Exchange differences	-	-	-	-
As at March 31, 2019	**0.25**	-	-	**0.25**
Additions	0.14	0.16	0.03	0.33
Disposals / adjustments	-	-	-	-
Exchange differences	0.00	-	-	0.00
As at March 31, 2020	**0.39**	**0.16**	**0.03**	**0.58**
Additions	-	-	-	-
Disposals / adjustments	-	-	-	-
Exchange differences	0.01	-	0.00	0.01
As at March 31, 2021	**0.40**	**0.16**	**0.03**	**0.59**
Additions	-	-	-	-
Disposals / adjustments	-	-	-	-
Exchange differences	0.00	-	0.00	0.00
As at June 30, 2021	**0.40**	**0.16**	**0.03**	**0.59**
Accumulated depreciation				
As at April 01, 2018	-	-	-	-
Additions	0.05	-	-	0.05
Disposals / adjustments	-			-
Exchange differences	-	-	-	-
As at March 31, 2019	**0.05**	-	-	**0.05**
Charge during the year	0.14	0.04	0.01	0.19
Disposals / adjustments	-	-	-	-
Exchange differences	0.00	-	-	0.00
As at March 31, 2020	**0.19**	**0.04**	**0.01**	**0.24**
Charge during the year	0.13	0.03	0.01	0.17
Disposals / adjustments	-	-	-	-
Exchange differences	0.00	0.00	0.00	0.00
As at March 31, 2021	**0.32**	**0.07**	**0.02**	**0.41**
Charge during the year	0.01	0.01	0.00	0.02
Disposals / adjustments	-	-	-	-
Exchange differences	0.01	0.00	0.00	0.01
As at June 30, 2021	**0.34**	**0.08**	**0.02**	**0.44**

Net book value

At April 01, 2018	-	-	-	-
At March 31, 2019	0.20	-	-	0.20
At March 31, 2020	0.20	0.12	0.02	0.34
At March 31, 2021	0.08	0.09	0.01	0.18
At June 30, 2021	0.06	0.08	0.01	0.16

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CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

5 Leases

I. Company as a lessee during the period / year

The Company has lease contracts for offices facilities. The lease term of the office facilities is generally 1-2 years. The Company also has certain leases of offices with lease terms of 12 months or less or low value. The Company applies the leases of low value assets and short term leases recognition exemptions for these leases.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

As per appendix C10 (c) of IND AS 116, the company may elect not to apply the requirements in lease standard to leases for which the lease term ends within 12 months of the date of initial application. In this case, a lessee shall:
(i) account for those leases in the same way as short-term leases as described in paragraph 6; and
(ii) include the cost associated with those leases within the disclosure of short-term lease expense in the annual reporting period that includes the date of initial application.
The Company has used this exemption for the year ended March 31, 2019 where the tenure of lease term was 12 months or less from the date of transition which is April 01, 2018.

The carrying amounts of right-of-use assets recognised and the movements during the period/year is as follows:

(₹ in Million)

	Office space	Total
Opening balance		
As at April 01, 2019	-	-
Additions	4.88	4.88
Disposals	-	-
As at March 31, 2020	**4.88**	**4.88**
Additions	-	-
Disposals	-	-
Exchange differences	0.10	0.10
As at March 31, 2021	**4.98**	**4.98**
Additions	-	-
Disposals	-	-
Exchange differences	0.02	0.02
As at June 30, 2021	**5.00**	**5.00**
Accumulated depreciation		
As at April 01, 2019	-	-
Depreciation expenses	1.35	1.35
Disposals / adjustments	-	-
Exchange differences	0.03	0.03
As at March 31, 2020	**1.38**	**1.38**
Depreciation expenses	1.54	1.54
Disposals / adjustments	-	-
Exchange differences	0.02	0.02
As at March 31, 2021	**2.94**	**7.82**
Depreciation expenses	0.39	0.39
Disposals / adjustments	-	-
Exchange differences	0.01	0.01
As at June 30, 2021	**3.34**	**3.34**

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CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Net carrying value:

(₹ in Million)

	Office space	Total
At March 31, 2019	-	-
At March 31, 2020	3.50	3.50
At March 31, 2021	2.04	2.04
At June 30, 2021	1.66	1.66

The carrying amounts of lease liabilities assets recognised and the movements during the period / year is as follows: (₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening balance	2.14	3.39	-	-
Additions	-	-	4.80	-
Accretion of Interest	0.03	0.16	0.21	-
Payments	(0.37)	(1.41)	(1.62)	-
Closing balance	**1.80**	**2.14**	**3.39**	-
The same is shown under:				
Current	1.59	1.58	1.29	-
Non-Current	0.21	0.56	2.10	-

The maturity analysis of lease liabilities are disclosed in note 31.

The effective interest rate for lease liabilities is 6% (March 31, 2021: 6%, March 31, 2020: 6% and March 31, 2019: 6%).

The following amounts are recognised in the statement of profit and loss

(₹ in Million)

Particulars	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation expense of right-of-use assets	0.39	1.54	1.35	-
Interest expense on operating lease liabilities	0.03	0.16	0.21	-
Expense relating to leases of low-value assets/short term leases (included in other expenses)	-	-	0.09	1.04
Total amount recognised in the Statement of Profit and Loss	**0.43**	**1.70**	**1.65**	**1.04**

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CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD. ★

6 Trade receivables

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade receivables - Others[2]	8.18	9.96	8.87	10.97	3.74
Receivable from related parties[1,2]	-	-	-	-	-
Total trade receivables	8.18	9.96	8.87	10.97	3.74
(A) Break-up for security details:					
Trade receivables - Unsecured, considered good[3]	8.18	9.96	8.87	10.97	3.74
Trade receivables - Unsecured, credit impaired[3]	-	-	0.62	0.48	-
	8.18	9.96	9.49	11.45	3.74
(B) Impairment allowance (allowance for bad and doubtful debts)					
Trade receivables - Unsecured, credit impaired[3]	-	-	(0.62)	(0.48)	-
	-	-	(0.62)	(0.48)	-
Total (A+B)	8.18	9.96	8.87	10.97	3.74

Notes:

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Also refer note 28.
2. Trade receivables are non-interest bearing and are generally upto 90 days.
3. Movement in expected credit loss allowance under simplified approach are provided in the table below:

(₹ in Million)

Expected credit loss allowance	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At the beginning of the period / year	-	0.62	0.48	-	-
Provision made during the period / year	-	-	0.62	0.48	-
(Utilized) / (reversed) during the period / year	-	(0.62)	(0.48)	-	-
At the end of the period / year	-	-	0.62	0.48	-

7 Cash and cash equivalents

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with banks					
On current accounts	8.06	15.82	6.36	18.64	8.23
Total	8.06	15.82	6.36	18.64	8.23

8 Loans

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Loans (Unsecured considered good unless otherwise stated)					
Loan to employees[1]	-	-	0.02	0.13	-
Total	-	-	0.02	0.13	-

Notes:

1. Loans to employees are unsecured, interest free, repayable on instalments which is generally 6 months and to be settled in cash.

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6.1 Trade receivables ageing schedule - Based on the requirements of Amended Schedule III

As at June 30, 2021 **(₹ in Million)**

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	
Undisputed Trade Receivables - considered good	7.20	0.98	-	-	-	-	8.18
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**7.20**	**0.98**	-	-	-	-	**8.18**
Less: credit impaired	-	-	-	-	-	-	-
Total	**7.20**	**0.98**	-	-	-	-	**8.18**

As at March 31, 2021

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	
Undisputed Trade Receivables - considered good	6.75	3.21	-	-	-	-	9.96
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**6.75**	**3.21**	-	-	-	-	**9.96**
Less: credit impaired	-	-	-	-	-	-	-
Total	**6.75**	**3.21**	-	-	-	-	**9.96**

As at March 31, 2020

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	
Undisputed Trade Receivables - considered good	6.36	2.51	-	-	-	-	8.87
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	0.62	-	-	-	-	0.62
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**6.36**	**3.13**	-	-	-	-	**9.49**
Less: credit impaired	-	- 0.62	-	-	-	-	(0.62)
Total	**6.36**	**2.51**	-	-	-	-	**8.87**

As at March 31, 2019

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	
Undisputed Trade Receivables - considered good	6.11	3.41	1.45	-	-	-	10.97
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	0.48	-	-	-	-	0.48
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**6.11**	**3.89**	**1.45**	-	-	-	**11.45**
Less: credit impaired	-	(0.48)	-	-	-	-	(0.48)
Total	**6.11**	**3.41**	**1.45**	-	-	-	**10.97**

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9 Other financial assets

Financial instruments at amortised cost

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current					
Unbilled revenue	0.73	0.72	0.73	1.12	7.15
Other receivables from related parties (refer note 28)	3.41	3.39	-	-	-
Security deposits	1.53	1.52	1.60	0.42	-
Total	**5.67**	**5.63**	**2.33**	**1.54**	**7.15**

Notes:

Unbilled revenue ageing schedule - Based on the requirements of Schedule III

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	-
Undisputed - considered good					
Current but not due	0.73	0.72	0.73	1.12	7.15

10 Other assets

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current					
Others (Unsecured, considered good)					
Capitalised contract costs*					
	-	-	-	-	-
Current					
Advances other than capital advances					
Unsecured, considered good	0.24	0.07	0.04	-	-
Others (Unsecured, considered good)					
Prepaid expenses	0.75	0.22	0.16	-	-
Capitalised contract costs*	-	-	-	4.14	-
Total	**0.99**	**0.29**	**0.20**	**4.14**	-

*Capitalised contract costs represent capitalised commission costs paid to sales team and set out below is the movement in the capitalised contract costs.

Capitalised contract costs

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At the beginning of the period / year	-	-	4.14	-	-
Additions during the period / year	-	1.98	0.21	5.75	-
Amortised during the period / year	-	(0.46)	(4.35)	(1.61)	-
Other adjustment	-	(1.52)	-	-	-
At the end of the period / year	-	-	-	**4.14**	-
The same is shown under:					
Current	-	-	-	4.14	-
Non-current	-	-	-	-	-

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11 Equity share capital

	Number of shares	Amount (₹ in Million)
Authorised share Capital		
As at April 01, 2018	5,00,100	8.33
Increase/ decrease during the year	-	-
As at March 31, 2019	**5,00,100**	**8.33**
Increase/ decrease during the year	-	-
As at March 31, 2020	**5,00,100**	**8.33**
Increase/ decrease during the year	-	-
As at March 31, 2021	**5,00,100**	**8.33**
Increase/ decrease during the three months period	-	-
As at June 30, 2021	**5,00,100**	**8.33**

(a) Issued equity capital

Equity shares of MYR 1 each issued, subscribed and fully paid	Number of shares	Amount (₹ in Million)
As at April 01, 2018	5,00,100	**8.33**
Changes during the year	-	-
As at March 31, 2019	**5,00,100**	**8.33**
Changes during the year	-	-
As at March 31, 2020	**5,00,100**	**8.33**
Changes during the year	-	-
As at March 31, 2021	**5,00,100**	**8.33**
Changes during the three months period	-	-
As at June 30, 2021	**5,00,100**	**8.33**

(b) Shares held by the Holding / Ultimate Holding Company and / or their subsidiaries / associates

Out of the equity shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries / associates are as below:

(₹ in Million)

Name of the shareholder	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capillary Technologies International Pte Ltd, Singapore, the Holding Company	8.33	8.33	8.33	8.33

(c) Details of shareholders holding more than 5 percent shares:

	June 30, 2021		March 31, 2021	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Capillary Technologies International Pte Ltd, Singapore, the Holding Company	5,00,100	100.00%	5,00,100	100.00%

	March 31, 2020		March 31, 2019	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Capillary Technologies International Pte Ltd, Singapore, the Holding Company	5,00,100	100.00%	5,00,100	100.00%

(d) There are no shares held by the promoters of the Company, hence no disclosure has been given in the Ind AS Summary Statements in this regard.

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CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

12 Other Equity

	(₹ in Million)
	Amount
(A) Retained Earnings[1]	
Balance as at April 01, 2018	**(2.73)**
Profit/ (loss) for the year	(30.82)
Balance as at March 31, 2019	**(33.55)**
Profit/ (loss) for the year	(32.90)
Balance as at March 31, 2020	**(66.45)**
Profit/ (loss) for the year	(8.64)
Balance as at March 31, 2021	**(75.09)**
Profit/ (loss) for the three months period	(7.59)
Balance as at June 30, 2021	**(82.68)**
(B) Foreign currency translation reserve (FCTR)[2]	
Balance as at April 01, 2018	-
Other comprehensive income or (loss) for the year	0.27
Balance as at March 31, 2019	**0.27**
Other comprehensive income or (loss) for the year	(1.02)
Balance as at March 31, 2020	**(0.75)**
Other comprehensive income or (loss) for the year	(1.14)
Balance as at March 31, 2021	**(1.89)**
Other comprehensive income or (loss) for the three months period	(0.25)
Balance as at June 30, 2021	**(2.14)**
(C) Capital contribution from holding company[3]	
At April 01, 2018	-
Changes during the year	-
At March 31, 2019	-
Changes during the year	0.16
At March 31, 2020	**0.16**
Changes during the year	1.13
At March 31, 2021	**1.29**
Changes during the three months period	2.84
At June 30, 2021	**4.13**

(1) Retained Earnings

Retained Earnings represents the profits earned till date, less any transfer to General reserve, dividends or other distributions paid to the shareholders.

(2) Foreign currency translation reserve (FCTR)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company from its functional currency to the presentation currency, and the translation of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(3) Capital contribution from parent

The Ultimate Holding Company has a share option scheme under which it grants employee stock options to certain employees of the Company without any cross charge. Capital contribution from ultimate holding company is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration by the ultimate holding company. Refer Note 27 for further details of these.

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13 Trade Payables

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost					
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	78.08	79.40	58.34	45.10	13.52
Total	**78.08**	**79.40**	**58.34**	**45.10**	**13.52**
The above amount includes:					
Trade payables to related parties (refer note 28)	74.98	70.90	56.46	41.81	13.46
Trade payables to others	3.10	8.50	1.88	3.29	0.06
Total	**78.08**	**79.40**	**58.34**	**45.10**	**13.52**

1. Trade payables are non-interest bearing and are normally settled up to 90 days.

suppliers under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with and filings made by the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act 2006 is not expected to be material. The disclosure pursuant to the said Act is as under:

(₹ in Million)

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
i) The principal amount remaining unpaid	-	-	-	-	-
ii) Interest due thereon remaining unpaid	-	-	-	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each	-	-	-	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-	-	-	-
v) The amount of interest accrued during the year and remaining unp	-	-	-	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the	-	-	-	-	-

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13.1 Trade Payables Ageing Schedule

As at June 30, 2021 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	78.08	-	-	-	78.08
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**78.08**	-	-	-	**78.08**

As at March 31, 2021 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	79.40	-	-	-	79.40
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**79.40**	-	-	-	**79.40**

As at March 31, 2020 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	58.34	-	-	-	58.34
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**58.34**	-	-	-	**58.34**

As at March 31, 2019 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	45.10	-	-	-	45.10
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**45.10**	-	-	-	**45.10**

- There are no "Not due" Trade payables, hence the same is not disclosed in the ageing schedule

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14 Other financial liabilities

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost					
Accrued salaries and benefits	4.17	6.53	7.52	7.44	-
Total	**4.17**	**6.53**	**7.52**	**7.44**	**-**

15 Other liabilities

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current					
Statutory dues payable	0.98	1.77	1.30	1.14	-
Deferred revenue*	11.53	10.95	9.38	6.67	-
Total	**12.51**	**12.72**	**10.68**	**7.81**	**-**

* Comprises unearned revenue

16 Provisions

(₹ in Million)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current					
Provision for employee benefits:					
Provision for compensated absences	0.52	0.49	0.40	0.22	-
Total	**0.52**	**0.49**	**0.40**	**0.22**	**-**

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17 **Revenue from operations**
Type of service

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services				
Retainership and other income from external customers	7.38	31.34	27.55	26.73
Installation income from external customers	0.31	2.07	9.85	8.40
Income from campaign service	0.84	12.06	7.84	4.82
Total revenue from operations	8.53	45.47	45.24	39.95
Malaysia	7.40	43.67	43.10	38.56
Outside Malaysia	1.13	1.80	2.14	1.39
Total revenue from operations	8.53	45.47	45.24	39.95

a) Timing of revenue from operation

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Services transferred at a point in time	0.84	12.06	7.84	4.82
Services transferred over time	7.69	33.41	37.40	35.13
	8.53	45.47	45.24	39.95

b) Contract balances

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Trade Receivables (refer note 6)				
- Current (Gross)	8.18	9.96	9.49	11.45
- Impairment allowance	-	-	(0.62)	(0.48)
Contract assets:				
Unbilled revenue (refer note 9)				
- Current	0.73	0.72	0.73	1.12
Contract liabilities* (refer note 15)				
- Deferred revenue (current)	11.53	10.95	9.38	6.67

*A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

18 **Other income**

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain on account of foreign exchange fluctuations (net)	-	2.02	-	-
Provisions/ liabilities no longer required, written back	-	0.68	0.09	-
Other non-operating income	0.03	0.32	1.02	-
Total	0.03	3.02	1.11	-

19 **Finance income**

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on other financial assets	0.01	0.02	0.02	-
Total	0.01	0.02	0.02	-

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20 Employee benefit expenses

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	6.36	23.02	17.67	4.96
Contribution to provident and other funds	0.58	1.89	1.22	0.48
Sales commission expenses	-	0.46	4.35	1.61
Staff welfare expenses	0.23	1.02	0.64	0.28
Staff training and recruitment expenses	-	0.41	0.39	0.55
Employee stock option expenses	2.84	1.13	0.16	-
Total	**10.01**	**27.93**	**24.43**	**7.88**

21 Depreciation and amortization expenses

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	0.02	0.18	0.18	0.05
Depreciation of right-of-use assets	0.39	1.54	1.35	-
Total	**0.41**	**1.72**	**1.53**	**0.05**

22 Finance costs

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on lease liabilities	0.03	0.16	0.21	-
Bank charges	-	0.01	0.01	0.01
Total	**0.03**	**0.17**	**0.22**	**0.01**

23 Other expenses

(₹ in Million)

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Travelling and conveyance	0.06	0.45	5.00	5.71
Rent	-	-	0.09	1.04
Communication costs	0.13	0.46	0.83	0.45
Payment to auditor*	0.18	0.12	0.09	0.09
Power and fuel	-	0.04	0.10	0.06
Provision for doubtful trade receivables and advances (including bad debts written off)	-	-	0.61	0.49
Selling and marketing expenses	-	0.29	0.06	0.13
Repairs and maintenance - others	0.04	0.16	0.26	0.01
Loss on account of foreign exchange fluctuations (net)	0.06	-	3.04	1.06
Rates and taxes	-	-	0.03	0.18
Software and server charges	0.01	-	-	2.98
Miscellaneous expenses	-	-	0.04	0.05
Total	**0.48**	**1.52**	**10.15**	**12.25**

***Payment to Auditor (exclusive of taxes)**

	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:				
Audit fees	0.18	0.12	0.09	0.09
	0.18	**0.12**	**0.09**	**0.09**

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Notes to the special purpose Ind AS financial statements

24 Earnings per share (EPS)

Basic: Basic EPS is calculated by dividing the profit/ loss for the period/year attributable to equity shareholders of the Company by the weighted average number of equit shares outstanding during the period / year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividenc relative to a fully paid equity share during the reporting year / period. The weighted average number of equity shares outstanding during the period is adjusted for events suc as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstandin without a corresponding change in resources.

Diluted: Diluted EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the period year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ende March 31, 2019
Face value of equity shares (MYR per share)	1.00	1.00	1.00	1.0
Profit/ (loss) attributable to equity shareholders	(7.59)	- 8.64	(32.90)	(30.82
Weighted average number of equity shares used for computing EPS (basic and diluted) (in millions)	0.50	0.50	0.50	0.5
EPS- Basic and diluted (₹)	**(15.18)**	**- 17.28**	**(65.79)**	**(61.63**

Earnings per share for the three months period ended June 30, 2021 are not annualised

25 Contingent liabilities

There are no contingent liabilities or commitments.

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26 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Ind AS Restated Summary Statements 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include impairment of non financial assets, fair value measurement of financial instruments, contingencies, defined benefit plans (gratuity benefits) and leases - estimating the incremental borrowing rate.

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Ind AS Summary Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 31 for further disclosures.

(b) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

(c) Provision for expected credit losses of trade receivables and contract assets

The company estimates the credit allowance as per practical expedient based on the historical credit loss experience as enumerated in note 6.

(d) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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27 Share-based payments

A Description of the share based payment arrangements

At a meeting of the members of Ultimate Holding Company held on August 10, 2015, the shareholders of the Ultimate Holding Company had approved the General Employee Share Option Plan (GESP) for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, subject to certain restrictions, to eligible employees.

Under GESP all employees are entitled to a grant of options once they have been in service and eligible based on conditions determined by the Board. The vesting of the options is prorated over a period of four years. The exercise price of the options is Nil. The contractual life of the options is ten years.

25% of the share options granted on each grant date will vest at the end of one year. Subsequently, 6.25% of the share options granted shall vest at the end of each quarter thereon till all share options are vested. These options expire within 10 years from the date of grant.

B Measurement of fair values

The fair value of the share options granted under the GESP is estimated at the grant date using Back-solve method, taking into account the terms and conditions upon which the share options were granted. The model outputs the implied total value of the enterprise when the valuation accounts for all share class rights and preferences, as of the date of the latest financing by the Holding Company.

The following table lists the inputs to the option pricing models for the period ended June 30, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively:

Particulars	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend yield (%)	0%	0%	0%	-
Expected volatility (%)	31.67% - 86.38%	31.76% - 86.38%	37.86% - 86.38%	-
Risk-free interest rate (% p.a.)	1.43% - 2.28%	1.43% - 2.28%	1.54% - 2.28%	-
Expected life of option (years)	2 - 7	5 - 7	5 - 7	-
Weighted average share price as per Pre Discount for Lack of Marketability ("DLOM") & Pre Discount for Lack of Control ("DLOC")	USD 1.81 - 5.45	USD 1.81 - 3.90	USD 1.81 - 3.90	-
Weighted average share price as per Post DLOM & Post DLOC	USD 1.23 - 5.45	USD 1.23 - 5.45	USD 1.23 - 2.92	-

The expected life of the share options is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

C Movements during the year

The following table illustrates the number and WAEP of, and movements in, GESP plan during the period

Particulars	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Number of options	Number of options	Number of options	Number of options
Options outstanding at the beginning of the period / year	5,059	3,047	-	-
Granted during the period / year	47,671	2,012	3,047	-
Forfeited / lapsed during the period / year	-	-	-	-
Exercised during the period / year	-	-	-	-
Expired during the period / year	-	-	-	-
Options outstanding at the end of the period / year	**52,730**	**5,059**	**3,047**	-

The options outstanding as at June 30, 2021 had an exercise price of Nil (March 31, 2021 Nil, March 31, 2020: Nil) and weighted average remaining contractual life of 9.68 years (March 31, 2021: 9.19 years and March 31, 2020: 9.65 years).

The weighted average fair value of options granted during the period ended June 30, 2021 was USD 5.45 (March 31, 2021: USD 5.45 and March 31, 2020: USD 2.36).

D Expense recognised in statement of profit and loss

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

(₹ in Million)

Particulars	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Expense arising from equity settled share based payment transaction (refer note 20)	2.84	1.13	0.16	-

E The Holding Company had granted stock options to employees of Capillary Technologies (Malaysia) Sdn. Bhd. under ESOP plans as detailed in note 27(A) above. The Holding Company has an obligation to settle the transaction with the employees of Capillary Technologies (Malaysia) Sdn. Bhd. by providing it's own equity shares. Therefore, in accordance with Ind AS 102, the Company had measured its expense in accordance with the requirements applicable to equity settled share-based payment transaction.

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28 Related party disclosures

a) Names of the related parties and description of relationship

Nature of Relationship	Name of the Party
Related party where control exists	Capillary Technologies International Pte. Ltd., Singapore, Holding Company
Fellow subsidiary	Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited) Capillary Technologies Inc., USA Capillary Technologies (UK) Limited, United Kingdom Capillary Technologies DMCC, UAE Reasoning Global E-Applications Private Limited, India Capillary Technologies Shanghai Co. Ltd, China PT Capillary Technologies Indonesia
Key managerial personnel [KMP]	Mr. Anant Choubey, Director Ms. Selva Kumari A/P Karuppiah, Director Mr. Aneesh Reddy Boddu, Director

b) Summary of transactions and outstanding balances with above related parties are as follows:

(₹ in Million)

Particulars	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
1) Transactions during the period				
(i) Reimbursement of expenses incurred on behalf of the company				
Capillary Technologies International Pte. Ltd., Singapore	3.75	15.18	26.12	33.06
(ii) Payments collected by the parent on behalf of the company				
Capillary Technologies International Pte. Ltd., Singapore	-	3.41	-	-

(₹ in Million)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
2) Outstanding balances as at period end				
(i) Trade Payables				
Capillary Technologies International Pte. Ltd., Singapore	74.98	70.90	56.46	41.81
(ii) Other receivables from related parties				
Capillary Technologies International Pte. Ltd., Singapore	3.41	3.39	-	-

Notes:-

1. The transactions with related parties are made by the Company on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are unsecured and settlement occurs in cash.
2. In respect of the transactions with the related parties, the Company has complied with the provisions of Section 188 and Section 177 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

29 Contingent liabilities

There were no contingencies and commitments as on the reporting period/year.

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30 Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments'

(a) Information about reportable segments

Basis of identifying operating segments / reportable segments:

(i) Basis of identifying operating segments:
Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of Restated Ind AS Summary Statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'

(ii) Reportable segments:
An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

CODM evaluates the performance of the Company based on the single operative segment as cloud based intelligent customer engagement software solutions to retail chain operators. Therefore, there is only one reportable segment called CRM services in accordance with the requirement of Ind AS 108 "Operating Segments".

(b) Geographical information

(i) The geographical information considered for disclosure are - Malaysia and Overseas

(₹ in Million)

Particulars	Revenue from operations[1]			
	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Malaysia	7.40	43.67	43.10	38.56
Overseas	1.13	1.80	2.14	1.39
Total	**8.53**	**45.47**	**45.24**	**39.95**

The following table shows the carrying amount of segment assets by geographical area to which these areas are attributable :

(₹ in Million)

Particulars	Non-current Assets[2]			
	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Malaysia	1.82	2.22	3.84	0.20
Overseas	-	-	-	-
Total	**1.82**	**2.22**	**3.84**	**0.20**

1. Revenue by geographical area are based on the geographical location of the customers.
2. Non-current assets excludes financial instruments and tax assets.

(c) Information about major customers

Number of customers contributed 10% or more of the total company's revenue	6	3	4	2
Percentage of total revenue	85%	51%	56%	52%

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31 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.14.

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. There are no non-current financial assets and liabilities. There are no financial instruments which are measured at fair value through statement of profit and loss or fair value through Other Comprehensive Income as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019

(₹ in Million)

	Carrying and Fair Value			
Particulars	**As at June 30, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Financial assets				
(i) Trade receivables	8.18	9.96	8.87	10.97
(ii) Cash and cash equivalents	8.06	15.82	6.36	18.64
(iii) Loans	-	-	0.02	0.13
(iv) Other financial assets	5.67	5.63	2.33	1.54
Total	**21.91**	**31.41**	**17.58**	**31.28**
Financial liabilities				
(i) Leases	1.80	2.14	3.39	-
(ii) Trade payables	78.08	79.40	58.34	45.10
(iii) Other financial liabilities	4.17	6.53	7.52	7.44
Total	**84.05**	**88.07**	**69.25**	**52.54**

(b) Fair Value Hierarchy

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the period ended June 30, 2021 and for the year ended March 31, 2021, March 31, 2020 and March 31, 2021

(c) Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets and cash and bank balances derived from its operations.

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:
(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance

Market risk

(a) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investing and financing activities. The Company's exposure to foreign currency changes from operating activities is not material.

The following table shows foreign currency exposure at the end of reporting period:

Particulars	**As at June 30, 2021**		**As at March 31, 2021**	
	Amount in Ringgit (in Million)	Amount in ₹ (in Million)	Amount in Ringgit (in Million)	Amount in ₹ (in Million)
Financial assets				
Trade receivables	0.46	8.18	0.56	9.96
Other receivables from related parties	0.19	3.41	0.19	3.39
Financial liabilities				
Trade payables	4.39	78.08	4.48	79.40

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	Amount in Ringgit (in Million)	Amount in ₹ (in Million)	Amount in Ringgit (in Million)	Amount in ₹ (in Million)
Financial assets				
Trade receivables	0.51	8.87	0.64	10.97
Other receivables from related parties	-	-	-	-
Financial liabilities				
Trade payables	3.36	58.34	2.64	45.10

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32 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and support from Holding Company.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity share holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the periods/years ended June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019.

Net Gearing Ratio: Since the company is not having any debt, gearing ratio has not been calculated

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33 Ratio Analysis and its elements

Particulars	Numerator	Denominator	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	Variance (June 2021 vs March 2021)	Variance (March 2021 vs March 2020)	Variance (March 2020 vs March 2019)	Reasons for variance of more than 25% (March 2020 vs March 2019)
Current ratio	Current assets	Current liabilities	0.24	0.31	0.23	0.58	-25%	38%	-61%	Variance on account of change in working capital of the Company.
Debt equity ratio	Debt	Total Equity	NA	NA	NA	NA	NA	NA	NA	-

Particulars	Numerator	Denominator	For the three months period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	Variance (June 2021 vs March 2021)	Variance (March 2021 vs March 2020)	Variance (March 2020 vs March 2019)	Reasons for variance of more than 25% (March 2020 vs March 2019)
Debt service coverage ratio	EBITDA	Debt (Borrowings)	NA	NA	NA	NA	NA	NA	NA	
Return on equity ratio	Profit for the period/year	Total Equity	0.10	0.13	0.56	1.24	-18%	-77%	-55%	Variance on account of reduction in tech & analytics cost resulting in increase in profit / decrease in loss
Trade receivable turnover ratio	Revenue from operations	Trade Receivable	1.04	4.57	5.10	3.64	-77%	-10%	40%	Variance on account of increase in trade receivable vis-à-vis change in revenue from operation
Trade payables turnover ratio	Revenue from operations	Trade Payables	0.11	0.57	0.78	0.89	-81%	-26%	-12%	NA
Net capital turnover ratio	Revenue from operations	Total Equity	(0.12)	(0.68)	(0.77)	(1.60)	-83%	-12%	-52%	Variance on account of change in working capital
Net profit ratio	Profit for the period/year	Revenue from operations	(0.89)	(0.19)	(0.73)	(0.77)	368%	-74%	-6%	Variance on account of increase in profit / reduction in loss due to reduction in expense
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	0.10	0.13	0.56	1.23	-17%	-77%	-55%	Variance on account of increase in profit / reduction in loss due to reduction in expense
Return on investment.	Interest (Finance income)	Other bank balances	NA	NA	NA	NA	NA	NA	NA	

Note

"Reasons for variance of more than 25% in above ratios
1.Due to the outbreak of Covid-19, the operations of the Company including purchases and revenue where affected during the three month period ended 30 June 2021 and the year ended 31 March 2021. Hence, the above ratios are not comparable."

2. Ratios for the three months period ended June 30, 2021 have not been annualised.

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CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

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Capillary Technologies (Malaysia) Sdn. Bhd.
Notes to the special purpose Ind AS financial statements

34 The spread of COVID-19 has severely impacted the business operations around the globe including Malaysia. The nationwide lockdown has impacted the Company's business volumes subsequently on account of disruptions in transportation, travel bans, quarantines, social distancing and other emergency precautionary measures and its consequent impact on the retail business. The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability and carrying amounts of receivables and other assets and assessment of its liquidity position for next one year. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of these assets and do not expect any cashflow constraints on the basis of support letter received from the Holding Company. The Company will continue to monitor these aspects and takes actions as appropriate based on future economic conditions.

35 Events after the Reporting period
Subsequent to the period ended June 30, 2021, Capillary Technologies International Pte Ltd, Singapore, has entered into a gift agreement dated November 22, 2021 with Capillary Pte limited and transferred 100 per cent of the issued share capital of the Company to Capillary Pte Ltd. on November 22, 2021.

36 As at June 30, 2021, there are no standards that have been issued but are not yet effective, which will impact the special purpose Ind AS financial statements

37 Previous years numbers have been reclassified/regrouped wherever necessary to confirm to current year classifications. The management believes that such reclassifications of items are not material as they would, individually or collectively, not influence the economic decisions that users make on the basis of the Special Purpose Financial Statements.

38 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Special Purpose Financial Statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date
For NK Associates
Chartered Accountants

NK ASSOCIATES CHARTERED ACCOUNTANTS AF 1313

Krishnan A/L Nachiappen
Partner

Place: Puchong, Selangor, Malaysia
Date: 06 DEC 2021

For and on behalf of the Board of Directors of
Capillary Technologies (Malaysia) Sdn. Bhd.

CAPILLARY TECHNOLOGIES (MALAYSIA) SDN. BHD.

Aneesh Reddy Boddu
Director

Place: Bengaluru, India
Date: December 06, 2021

Selva Kumari A/P Karuppiah
Director

Place: Puchong, Selangor, Malaysia
Date: December 06, 2021