

Jain Jindal & Co.

(Chartered Accountant)

Plot No. 45, Arjun Marg
DLF Phase-1, Gurgaon-122002
Board: +91 124 4252720

**Certificate on Translation of foreign currency to INR for the years ended 31 March 2025,
31 March 2024 and 31 March 2023**

To,

The Board of Directors

Capillary Pte. Ltd.

68, Circular Road, #02-01,
Singapore 049422

The Board of Directors

Capillary Technologies India Limited

#360, 15th cross road, Sector-4,
HSR Layout, Bengaluru-560102

**Sub: Proposed initial public offering of equity shares of INR 2/- each (the “equity shares”) of
Capillary Technologies India Limited (the “Company” and such offering, the “Issue”)**

Dear Sirs,

We have verified translation of foreign currency to INR of the audited financial statements of **Capillary Pte. Ltd.** (the “Company”) for the years ended 31 March 2025, 31 March 2024 and 31 March 2023. These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, ‘The Effects of Changes in Foreign Exchange rates’. The work carried out by us is in accordance with the Standard on Related Services (SRS) 4400, “Engagements to perform Agreed-upon Procedures regarding Financial Information” issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A Item no. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulation”), we have verified the translated financial information contained in **Annexure-A** attached to this certificate which is proposed to be uploaded on the website of **Capillary Technologies India Limited** in connection with its proposed initial public offering of equity shares of INR 2/- each (the “Offer”).

We did not audit the financial statements of Capillary Pte. Ltd. These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company. These translated financials should not in any way be construed as a reissuance or re-dating any of the previous audit reports, nor should these be construed as a new opinion on any of the audited financial statements referred to herein. These translated financials are intended solely for the use of management for uploading on website of Capillary Technologies India Limited in connection with its proposed initial public offering shares of INR 2/- each.

Jain Jindal & Co.

(Chartered Accountant)

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This certificate is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing, other than for the purpose stated above. We, however, hereby give consent for inclusion of our name and this information (in full or in part) in the Draft Red Herring Prospectus, Updated Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus proposed to be filed by Capillary Technologies India Limited with Securities and Exchange Board of India (“SEBI”), the stock exchanges where the Equity Shares of Capillary Technologies India Limited are proposed to be listed (the “Stock Exchange”) and of the Registrar of Companies (“ROC”) and any other material used in connection with Offer and submission of this certificate to SEBI, Stock Exchanges, or ROC in connection with the proposed Offers, as the case may be.

For Jain Jindal & Co.

Chartered Accountants

Firm Registration Number: 025817N



Dheeraj Kumar Dangri

Partner

Membership No: 501687

UDIN: 25501687BMKNKY6400

Place: Bengaluru

Date: 05 June 2025

Capillary Pte. Ltd.
Registered office- 68 Circular Road, #02-01, Singapore 049422
Translated Version of Statement of Financial Position as at 31 March 2025, 31 March 2023 and 31 March 2023 (SGD to INR in millions)

	Note	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
		S\$			INR in millions		
Assets							
Non-current assets							
Property, plant and equipment	3	1,948	1,525	837	0.12	0.10	0.05
Investments	4	5,14,21,801	5,14,21,801	4,25,64,734	3,267.80	3,176.80	2,628.63
Other receivables	5	3,372	17,072	35,973	0.22	1.05	2.23
		5,14,27,121	5,14,40,398	4,26,01,544	3,268.14	3,177.95	2,630.91
Current assets							
Trade and other receivables	5	1,58,69,723	1,13,14,762	2,09,66,077	1,008.51	699.00	1,294.79
Cash and bank balances	6	2,13,30,890	14,03,544	1,47,557	1,355.56	86.71	9.12
		3,72,00,613	1,27,18,306	2,11,13,634	2,364.07	785.71	1,303.91
Total Assets		8,86,27,734	6,41,58,704	6,37,15,178	5,632.21	3,963.66	3,934.82
Equity and liabilities							
Equity							
Share capital	7	4,71,50,592	4,71,50,592	4,19,21,904	2,785.11	2,785.11	2,424.31
Share application money pending allotment		2,01,23,530	-	-	1,271.55	-	-
Capital contribution	8	1,47,26,722	1,47,26,722	1,47,31,510	805.61	805.61	805.90
Accumulated losses		(92,00,281)	(92,54,665)	(99,22,692)	(515.57)	(519.00)	(560.61)
Capital reserve	9	(24,07,888)	(24,07,888)	(24,07,888)	(133.56)	(133.56)	(133.56)
Foreign currency translation reserve		2,24,473	(1,33,409)	1,13,393	274.52	155.81	208.19
Total equity		7,06,17,148	5,00,81,352	4,44,36,227	4,487.66	3,093.97	2,744.23
Liabilities							
Non-current liabilities							
Borrowings		-	-	-	-	-	-
Trade and other payables	12	-	86,102	2,79,072	-	5.32	17.23
		-	86,102	2,79,072	-	5.32	17.23
Current liabilities							
Trade and other payables	12	1,80,10,586	1,39,91,250	1,82,94,367	1,144.55	864.37	1,129.79
Borrowings	11	-	-	6,81,944	-	-	42.11
Provisions	13	-	-	23,568	-	-	1.46
		1,80,10,586	1,39,91,250	1,89,99,879	1,144.55	864.37	1,173.36
Total liabilities		1,80,10,586	1,40,77,352	1,92,78,951	1,144.55	869.69	1,190.59
Total Equity and liabilities		8,86,27,734	6,41,58,704	6,37,15,178	5,632.21	3,963.66	3,934.82

The accompanying notes are an integral part of these financial statements

For Jain Jindal & Co.
Chartered Accountants
Firm registration number: 025817N



Anceesh Kumar Rangar
Partner
Membership number: 501687

Place: Bengaluru
Date: 05th June 2025

For and behalf of the Board of Directors

B Anceesh Reddy *Santhosh Reddy Nigudalgi*

Anceesh Reddy Boddu
Director

Santhosh Reddy
Director

Place: Bengaluru
Date: 05th June 2025

Place: Malaysia
Date: 05th June 2025

Capillary Pte. Ltd.
Registered office- 68 Circular Road, #02-01, Singapore 049422
Translated Version of Statement of Comprehensive Income for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 (SGD to INR in millions)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
		S\$			INR in millions		
Items of income:							
Revenue	14	1,35,66,501	1,59,13,115	1,65,97,760	857.22	979.54	970.81
Other income	15	43,939	1,87,420	12,68,724	2.77	11.54	74.21
		1,36,10,440	1,61,00,535	1,78,66,484	859.99	991.08	1,045.02
Items of expense:							
Cost of campaign services		-	17,47,747	18,51,631	-	107.58	108.30
Professional and consultancy services		81,26,408	89,07,974	99,53,685	513.48	548.33	582.20
Employee benefits expense	16	1,62,898	3,19,000	4,47,916	10.29	19.64	26.18
Finance costs	17	60,539	91,802	2,66,657	3.82	5.65	15.60
Depreciation and amortisation expense		979	557	79	0.06	0.03	0.00
Other expenses	18	52,05,232	43,65,428	1,20,53,589	328.90	268.70	705.02
		1,35,56,056	1,54,32,508	2,45,73,557	856.56	949.94	1,437.31
Profit/(Loss) before tax		54,384	6,68,027	(67,07,073)	3.43	41.14	(392.29)
Current tax expenses	19	-	-	-	-	-	-
Profit /(Loss) for the financial year		54,384	6,68,027	(67,07,073)	3.43	41.14	(392.29)
Other comprehensive income							
Item that may not be reclassified subsequently to profit and loss							
Exchange difference on translation to presentation currency							
		3,57,882	(2,46,802)	1,71,839	118.71	(52.38)	211.42
Total comprehensive income/(loss) for the year		4,12,266	4,21,225	(65,35,234)	122.14	(11.24)	(180.86)

The accompanying notes are an integral part of these financial statements

For Jain Jindal & Co.
Chartered Accountants
Firm registration number: 025817N



Partner
Membership number: 501687

Place: Bengaluru
Date: 05th June 2025

For and behalf of the Board of Directors

B Aneesh Reddy Santosh Reddy Nigudagi

Aneesh Reddy Boddu
Director

Santhosh Reddy
Director

Place: Bengaluru
Date: 05th June 2025

Place: Malaysia
Date: 05th June 2025

Capillary Pte. Ltd.
Registered office- 68 Circular Road, #02-01, Singapore 049422
Translated Version of Statement of Changes in Equity for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 (SGD to INR in millions)

	(in S\$)						
	Share capital	Capital Contribution	Accumulated deficit	Capital Reserve	Share Application Money pending allotment	Foreign currency translation reserve	Total
	S\$						
Balance as at 01 April 2022	1,71,82,875	1,47,22,734	(32,15,619)	(24,07,888)	-	(58,446)	2,62,23,656
Issuance of share capital	2,47,39,029	-	-	-	-	-	2,47,39,029
Employee stock option expenses	-	8,776	-	-	-	-	8,776
Total comprehensive loss for the year	-	-	(67,07,073)	-	-	1,71,839	(65,35,234)
Balance as at 31 March 2023	4,19,21,904	1,47,31,510	(99,22,692)	(24,07,888)	-	1,13,393	4,44,36,227
Balance as at 01 April 2023	4,19,21,904	1,47,31,510	(99,22,692)	(24,07,888)	-	1,13,393	4,44,36,227
Issuance of share capital	1,38,53,315	-	-	-	-	-	1,38,53,315
Cancellation of shares during the year	(86,24,627)	-	-	-	-	-	(86,24,627)
Employee stock option expenses	-	(4,788)	-	-	-	-	(4,788)
Total comprehensive income for the year	-	-	6,68,027	-	-	(2,46,802)	4,21,225
Balance as at 31 March 2024	4,71,50,592	1,47,26,722	(92,54,665)	(24,07,888)	-	(1,33,409)	5,00,81,352
Balance as at 1 April 2025	4,71,50,592	1,47,26,722	(92,54,665)	(24,07,888)	-	(1,33,409)	5,00,81,352
Issuance of share capital	-	-	-	-	2,01,23,530	-	2,01,23,530
Cancellation of shares during the year	-	-	-	-	-	-	-
Employee stock option expenses	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	54,384	-	-	3,57,882	4,12,266
Balance as at 31 March 2025	4,71,50,592	1,47,26,722	(92,00,281)	(24,07,888)	2,01,23,530	2,24,473	7,06,17,148

	(in INR millions)						
	Share capital	Capital Contribution	Accumulated deficit	Capital Reserve	Share Application Money pending allotment	Foreign currency translation reserve	Total
	INR in millions						
Balance as at 01 April 2022	934.71	805.39	(168.33)	(133.56)	-	(3.23)	1,434.98
Issuance of share capital	1,489.60	-	-	-	-	-	1,489.60
Employee stock option expenses	-	0.51	-	-	-	-	0.51
Total comprehensive loss for the year	-	-	(392.29)	-	-	211.42	(180.86)
Balance as at 31 March 2023	2,424.31	805.90	(560.61)	(133.56)	-	208.19	2,744.23
Balance as at 01 April 2023	2,424.31	805.90	(560.61)	(133.56)	-	208.19	2,744.23
Issuance of share capital	859.55	-	-	-	-	-	859.55
Cancellation of shares during the year	(498.75)	-	-	-	-	-	(498.75)
Employee stock option expenses	-	(0.29)	-	-	-	-	(0.29)
Total comprehensive income for the year	-	-	41.14	-	-	(52.38)	(11.24)
Balance as at 31 March 2024	2,785.11	805.61	(519.00)	(133.56)	-	155.81	3,094.00
Balance as at 01 April 2024	2,785.11	805.61	(519.00)	(133.56)	-	155.81	3,094.00
Issuance of share capital	-	-	-	-	1,271.55	-	1,271.55
Cancellation of shares during the year	-	-	-	-	-	-	-
Employee stock option expenses	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	3.43	-	-	118.71	122.14
Balance as at 31 March 2025	2,785.11	805.61	(515.57)	(133.56)	1,271.55	274.52	4,487.69

1. **Capital contribution** - The Ultimate Holding Company and Holding Company had a share option scheme under which it granted employee stock options to certain employees of the Parent Company without any cross charge. Capital contribution from the Ultimate Holding Company is used to recognise the value of equity-settled share-based payments provided to employees of the Company, as part of their remuneration by the Ultimate Holding Company and Holding Company.
2. **Accumulated deficit** - Accumulated deficit represents the losses incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.
3. **Capital reserve** - Capital reserve is on account of common control transaction.
4. **Foreign currency translation reserve**- The foreign currency translation difference account represents exchange differences arising from the translation of the financial statements of the Company from the functional currency to the presentation currency of the Company.
5. **Share application money pending allotment** - Represents the amount received by the Company from the immediate holding company against which the allotment of shares is still pending.

For Jain Jindal & Co.
Chartered Accountants
Firm registration number: 025817N



Partner
Membership number: 501687

Place: Bengaluru
Date: 05th June 2025

For and behalf of the Board of Directors

 

Anesh Reddy Boddu
Director

Place: Bengaluru
Date: 05th June 2025

Santhosh Reddy
Director

Place: Malaysia
Date: 05th June 2025

Capillary Pte. Ltd.

Registered office- 68 Circular Road, #02-01, Singapore 049422

Translated Version Statement of Cashflows for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 (SGD to INR in millions)

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Cash flows from Operating activities						
Profit/(Loss) before tax before income tax	54,384	6,68,027	(67,07,073)	3.43	41.14	(392.29)
Adjustments for:						
Depreciation and amortisation expenses	979	557	79	0.06	0.03	0.00
Employee stock option expenses	-	(4,788)	8,776	-	(0.29)	0.51
Bad debt written off	4,69,075	1,21,524	82,69,499	29.64	7.48	483.69
Net gain on disposal of property, plant and equipment	-	-	(8,85,434)	-	-	(51.79)
Provisions / liabilities no longer required, written back	-	(1,74,246)	(64,233)	-	(10.73)	(3.76)
Exchange differences	3,58,696	(1,58,745)	11,504	22.66	(9.77)	0.67
Interest on debts and borrowings	-	34,028	2,23,908	-	2.09	13.10
Operating cash flows before movements in working capital	8,83,134	4,86,357	8,57,026	55.80	29.95	50.15
Movements in Working Capital						
Trade receivables and other receivables	(38,10,043)	95,48,692	(99,24,306)	(234.51)	549.52	(580.48)
Trade payables and other payables	39,33,234	(43,21,841)	(84,96,528)	249.95	(266.92)	(552.46)
Provisions	-	(23,568)	(85,944)	-	(1.46)	(5.31)
Cash generated from operations	1,23,191	52,03,283	(1,85,06,778)	15.44	281.14	(1,138.24)
Net cash generated from/(used in) operating activities	10,06,325	56,89,640	(1,76,49,752)	71.24	311.08	(1,088.10)
Cash Flows from Investing activities						
Purchase of property, plant and equipment and intangible assets	(2,216)	(1,245)	-	(0.14)	(0.08)	-
Redemption/(investment) in bank deposits	-	12,454	(12,454)	-	0.77	(0.77)
Proceeds from sale of intangible assets	-	-	62,30,519	-	-	364.43
Purchase of investments	-	(88,57,066)	(1,09,63,564)	-	(549.15)	(659.90)
Advance for investments in equity shares of subsidiary company	(12,00,293)	-	-	(76.28)	-	-
Net cash used in investing activities	(12,02,509)	(88,45,857)	(47,45,499)	(76.42)	(548.46)	(296.24)
Cash Flows from Financing activities						
Repayment of term loan	-	(8,04,030)	(26,66,275)	-	(44.20)	(164.66)
Issue of equity share capital	2,01,23,530	52,28,688	2,47,39,029	1,271.55	360.80	1,527.79
Net cash generated from financing activities	2,01,23,530	44,24,658	2,20,72,754	1,271.55	316.60	1,363.13
Net increase/(decrease) in cash and cash equivalents	1,99,27,346	12,68,441	(3,22,498)	1,266.37	79.22	(21.21)
Cash and cash equivalents at the beginning of period	14,03,544	1,35,103	4,54,896	86.71	8.35	28.09
Effect of exchange rate changes on cash and cash equivalents	-	-	2,705	2.48	(0.86)	1.46
Cash and cash equivalents at the end of period (Note 6)	2,13,30,890	14,03,544	1,35,103	1,355.56	86.71	8.34

For Jain Jindal & Co.

Chartered Accountants

Firm registration number: 025817N

Partner

Membership number: 501687

Place: Bengaluru

Date: 05th June 2025

For and behalf of the Board of Directors

B Anesh Reddy Santosh Reddy Nigudagi

Anesh Reddy Boddu
Director

Place: Bengaluru
Date: 05th June 2025

Santhosh Reddy
Director

Place: Malaysia
Date: 05th June 2025

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

1. Corporate Information

Capillary Pte. Ltd. (the “Company”) is a limited liability company incorporated on 21 July 2021 and domiciled in the Republic of Singapore. The Company’s registered office is location at 68, Circular Road, #02-01, Singapore 049422. The principal activities of the Company are those of providing cloud based intelligent customer engagement software solutions to retail chain operators.

The Company is a wholly-owned subsidiary of Capillary Technologies India Limited, a company incorporated in India, which is its Immediate Holding Company. The Company’s Ultimate Holding Company is Capillary Technologies International Pte. Ltd., a company incorporated in Singapore.

The accompanying translated financial statements for the year ended March 31, 2025, 2024 and 2023 were approved and authorized for issue by the Board of Directors on 05 June 2025 respectively.

2. Material accounting policy information

2.1 Basis of preparation

These translated versions of financial statements have been prepared from the financial statements audited by other auditor to comply with ICDR regulations for the purpose of the proposed Initial Public Offer (IPO) of the Intermediate holding Company Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited) in accordance with SRS 4400, “Engagements to perform agreed upon procedures regarding financial information”.

For this purpose, assets and liabilities have been translated using exchange rates prevailing as on the balance sheet date. Statement of profit and loss has been translated using monthly average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

The consolidated financial statements have not been presented as at the Company is a wholly owned subsidiary. The name and address of the intermediate holding Company presenting consolidated financial statements is Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited), a Company incorporated in India and having its registered office at #360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, HSR Layout, Bangalore, Karnataka, India, 560102. The intermediate holding Company’s consolidated financial statements are intended for public use and are available on its official website.

2.2 Statement of compliance

The audited financial statements have been prepared in compliance with Singapore Financial Reporting Standards (SFRSs).

2.3 Summary of Material accounting policies

a. Going concern

The Company incurred a net profit of S\$ 54,384 (INR 3.43 million) for the financial year ended 31 March 2025 (2024: S\$ 668,027 (INR 41.14 million; 2023: Loss of S\$ 6,707,073; INR (392.29 million). There is positive net worth of S\$ 70,617,148 (INR 4,487.66) (2024: S\$ 50,081,352 (INR 3,093.97 millions)); (2023: S\$ 44,436,227 ; INR 2,744.23 millions) and net current asset amounting to S\$ 19,190,027 (INR 1,219.52 million) (2024: net current liability of S\$1,272,944 (INR 83.98 million); (2023: net current assets of S\$ 2,113,755 ; INR 113.32 million) as at 31 March 2025. Further the Company has positive cashflows from operations amounting to S\$ 1,006,325 (INR 71.24 million) (2024: S\$ 5,689,640 (INR 311.08 million); (2023: Negative cashflows of S\$17,649,752 ; INR 1,088.10 millions) during the year ended 31 March 2025. Further the company has received INR 15 million USD (INR 947.81 million) from the immediate Holding company.

Though the accumulated reserves of the Company is substantially eroded, the management of the Company basis its business plan, expects that there will be a significant increase in the operations of the Company that will lead to improved cash flows and long-term sustainability and the Company will be able to generate sufficient profit in future years to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. The financial statement has been prepared on a going concern basis as the immediate holding Company has agreed to provide continual financial support to enable the Company to continue to its operations as a going concern in the foreseeable future.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

b. Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period except that in the current financial period, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

c. Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following are the new or amended standards that are not yet effective but may be early adopted for the current financial year.

Description	Effective for annual periods beginning on or after
Amendments to FRS 21: Lack of exchangeability	1 January 2025
Amendments to FRS 109 and FRS 107: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to FRSs—Volume 11	1 January 2026
Amendments to FRS 118: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to FRS 119: Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 118: Presentation and Disclosure Financial Statements	1 January 2027
FRS 119: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Company in the period of its initial adoption.

d. Foreign currencies transactions and balances

The financial statements of the Company are presented in Singapore Dollar (“S\$”) which is the Company’s presentation currency. The currency of the primary economic environment in which the Company operates (its functional currency) is US Dollars. Accordingly, during the current year, differences arising on account of translating the financial statements into S\$ have been presented as part of foreign currency translation reserve forming part of equity.

In preparing the financial statements, transactions in currencies other than the Company’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

e. Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

f. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing balance method.

The following estimated useful life as under:

	<u>Useful lives</u>
Computers	3 years
Office equipment	5 years
Furniture and fixtures	10 years

Software grouped under computer systems is being amortised over its estimated useful life of 5 years using reducing balance method.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

g. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

h. Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables that do not contain a significant financing component, are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost and FVTPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortization process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are recognized, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

i. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

j. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

k. Provisions

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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.

l. Employee benefits

(i) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Employment leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to balance sheet date.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

m. Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Rendering of services

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.

Campaign services

During the year ended March 31, 2025, the Company changed its business model for the campaign services and has entered into a new arrangement with its service providers by which, the Company is acting as an agent and not as a principal for these transactions. Accordingly, the revenue for the year ended March 31, 2025 for the income from campaign services has been recorded on a net basis.

The below mentioned table demonstrates the total income from campaign services if it would have been recorded on a net basis.

	2025 S\$	2024 S\$
Income from campaign services on a principal basis	-	2,176,073
Income from campaign services on an agent basis	603,034	-
Less: Cost of campaign services		(1,747,747)
<u>Income from campaign services on a net basis</u>	<u>603,034</u>	<u>428,326</u>

	2025 INR in million	2024 INR in million
Income from campaign services on a principal basis	-	133.95
Income from campaign services on an agent basis	38.10	-
Less: Cost of campaign services		(107.58)
<u>Income from campaign services on a net basis</u>	<u>38.10</u>	<u>26.37</u>

Installation services

The Company provides a one-time installation service 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 correlates 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.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

m. Revenue recognition (continued)

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.

The Company pays sales commission to its employees for 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 relate 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.

n. Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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 establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised 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 utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

n. Taxes (continued)

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of 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 utilised. Unrecognised deferred tax assets are reassessed at the end of each balance sheet date and are recognised to the extent that it has become probable that future taxable profit 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 to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

o. Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

p. Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) a present obligation that arises from past events but is not recognised because:
 - (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

q. Related party

A related party is defined as follows:

A person or a close member of that person's family is related to the Company if that person:

- a) Has control or joint control over the Company;
- b) Has significant influence over the Company; or
- c) Is a member of the key management personnel of the Company or of a parent of the Company.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

q. Related party (continued)

An entity is related to the Company if any of the following applies:

- a) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- c) Both entities are joint ventures of the same third party;
- d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- f) The entity is controlled or jointly controlled by a person identified in (i) above; or
- g) A person identified in (i)a) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

r. Transactions with shareholders

Transactions with shareholders in their capacity as shareholders are accounted directly within the applicable component of equity.

These include contributions from or distributions to the Ultimate Holding Company and/or Holding Company in cash or in kind.

s. Common control restructuring

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method.

The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

t. Derivative warrant liability

Warrant contracts to issue a variable number of shares that require no initial investment are classified as a derivative liability.

The derivative liability is measured at fair value with changes in fair value being recognized in the statement of profit or loss and other comprehensive income at each year end.

The derivative liability will ultimately be converted to the Ultimate Holding Company's equity shares when the warrants are exercised or will be extinguished upon the expiry of the outstanding warrants or as the terms given in the agreement.

u. Share based payment

The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions.

This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve reserve, over the vesting period. The cumulative expense recognised 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 options that will ultimately vest. The charge or credit to profit or 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/other expense.

Capillary Pte. Ltd.
Notes forming part of translated version of Financial Statements

2.3 Material accounting policy information (continued)

v. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgement made in applying accounting policies

Determination of functional currency

The financial statements of the Company are presented in Singapore Dollar ("S\$") which is the Company's presentation currency. The currency of the primary economic environment in which the Company operates (its functional currency) is United States Dollar ("US\$"). Accordingly, during the current year, differences arising on account of translating the financial statements into US\$ have been presented as part of foreign currency translation reserve forming part of equity.

Management considers economic environment in which the Company operates and factors such as the currency that mainly influences the prices for its revenue items; the currency of the country whose competitive forces and regulations mainly determine the prices for its revenue items; and the currency that mainly influences labour, material and other costs of providing goods or services. It also considers other relevant factors that may also provide evidence of the Company's functional currency.

Key sources of estimation uncertainty

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 Financial 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.

Fair value of stock option plan

Significant estimates are involved in determining the share-based payments expenses. The share-based payments are recognized based on their respective grant date fair values. The fair value of each employee stock option is estimated on the date of grant using the binomial model. The determination of the fair value of share-based payment awards using the binomial model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company believes that its current assumptions generate a representative estimate of fair value. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10.

Impairment of investment in subsidiary

Investment in subsidiary is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates.

Provision for expected credit losses of trade receivables and contract assets

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Capillary Pte. Ltd.

Registered office- 68 Circular Road, #02-01, Singapore 049422

Notes forming part of translated version of financial statements

3. Property, Plant And Equipment

	Computers	Total	Computers	Total
	S\$		INR in millions	
At cost:				
At 1 April 2022	1,654	1,654	0.10	0.10
Additions	-	-	-	-
Translation	-	-	-	-
At 31 March 2023	1,654	1,654	0.10	0.10
Additions	1,245	1,245	0.08	0.08
Translation	-	-	-	-
At 31 March 2024	2,899	2,899	0.18	0.18
Additions	2,216	2,216	0.14	0.14
Deletions	814	814	0.05	0.05
Translation	-	-	-	-
At 31 March 2025	4,301	4,301	0.27	0.27
Accumulated depreciation:				
At 1 April 2022	738	738	0.04	0.04
Depreciation charge	79	79	0.01	0.01
Translation	-	-	-	-
At 31 March 2023	817	817	0.05	0.05
Depreciation charge	557	557	0.03	0.03
Translation	-	-	-	-
At 31 March 2024	1,374	1,374	0.08	0.08
Depreciation charge	979	979	0.06	0.06
Translation	-	-	0.01	0.01
At 31 March 2025	2,353	2,353	0.15	0.15
Net carrying amount:				
At 31 March 2025	1,948	1,948	0.12	0.12
At 31 March 2024	1,525	1,525	0.10	0.10
At 31 March 2023	837	837	0.05	0.05

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Capillary Pte. Ltd.**Registered office- 68 Circular Road, #02-01, Singapore 049422****Notes forming part of translated version of financial statements****4. Investments****a. Investment in subsidiaries****Unquoted equity investment, at cost**

Cost of investments is comprised of the following subsidiaries:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$		
Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) ¹ (2,424,694 shares (31 March 2024: 2,424,694 ; 31 March 2023: 2,424,694) members unit	4,59,11,087	4,59,11,087	4,25,64,714
Capillary Technologies DMCC (1,886 shares (31 March 2024: 1,886 ; 31 March 2023: 50) equity shares	6,57,945	6,57,945	-
Capillary Technologies Europe Limited (389,409 shares (31 March 2024: 389,409 ; 31 March 2023: nil) equity shares	48,52,749	48,52,749	-

b. Investment in others**Unquoted equity investment, at cost**

Investment in facets Cloud Inc. 1,500,000 (31 March 2024: 1,500,000 ; 31 March 2023: 1,500,000) common stock	20	20	20
	5,14,21,801	5,14,21,801.00	4,25,64,734
Unquoted equity shares at beginning of the year, at cost	5,14,21,801	4,25,64,734	3,39,76,022
Addition	-	88,57,067	1,09,63,544
	5,14,21,801	5,14,21,801	4,49,39,566
Less – contingent consideration not payable	-	-	(23,74,832)
Unquoted equity shares at end of the year, at cost	5,14,21,801	5,14,21,801	4,25,64,734

a. Investment in subsidiaries**Unquoted equity investment, at cost**

Cost of investments is comprised of the following subsidiaries:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	INR in millions		
Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) ¹ (2,424,694 shares (31 March 2024: 2,424,694 ; 31 March 2023: 2,424,694) members unit	2,917.60	2,836.35	2,628.63
Capillary Technologies DMCC (1,886 shares (31 March 2024: 1,886 ; 31 March 2023: 50) equity shares	41.81	40.65	-
Capillary Technologies Europe Limited (389,409 shares (31 March 2024: 389,409 ; 31 March 2023: nil) equity shares	308.39	299.80	-

b. Investment in others**Unquoted equity investment, at cost**

Investment in facets Cloud Inc. 1,500,000 (31 March 2024: 1,500,000 ; 31 March 2023: 1,500,000) common stock	-	-	-
	3,267.80	3,176.80	2,628.63
Unquoted equity shares at beginning of the year, at cost	2,925.88	2,378.70	1,848.30
Addition	-	547.18	677.07
	2,925.88	2,925.88	2,525.36
Less – contingent consideration not payable	-	-	(146.66)
Unquoted equity shares at end of the year, at cost	2,925.88	2,925.88	2,378.70

Capillary Pte. Ltd.
Registered office- 68 Circular Road, #02-01, Singapore 049422
Notes forming part of translated version of financial statements

4. Investments (continued)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	% of equity held		
			As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) ^{1,2}	United States of America	Cloud based intelligent customer engagement and software solutions	100%	100%	100%
Persuade Holdings Inc. (formerly known as Persuade Holdings LLC)	United States of America	Consultancy and licensing services	NA	100%	100%
Capillary Technologies DMCC	United Arab Emirates	Cloud based intelligent customer engagement and software solutions	100%	100%	100%
Capillary Technologies, Shanghai Co. Ltd	China	Cloud based intelligent customer engagement and software solutions	100%	100%	100%
Capillary Technologies (Malaysia) Sdn Bhd	Malaysia	Cloud based intelligent customer engagement and software solutions	100%	100%	100%
PT Capillary Technologies Indonesia	Indonesia	Cloud based intelligent customer engagement and software solutions	100%	100%	100%
Capillary Technologies Europe Limited (formerly known as Brierley Europe Europe Limited)		Cloud based intelligent customer engagement and software solutions	100%	100%	NA

¹ On 1 September 2021, the Company executed an Acquisition Agreement and acquired 100% interest and shareholding of Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) (“Persuade”) and Persuade Holdings Inc. (formerly known as Persuade Holdings LLC) respectively (collectively “the Acquired Enterprises”) for a total maximum consideration of USD 25.90 million (S\$34.85 million ; INR 1,889.64 millions). The discharge of said consideration is as follows:

- (i) Upfront cash pay-outs of USD 10.00 million (S\$ 13.46 million ; INR 729.59 millions).
- (ii) Deferred cash consideration pay-outs of USD 2.50 million (S\$3.36 million ; INR 185.75 millions) to be paid on or by 31 December 2021.
- (iii) Cash pay-outs of USD 2.50 million (S\$3.36 million ; INR 207.5 millions) to paid on or by 31 March 2023 basis certain performance conditions of the Acquired enterprises based on an earnout model.

(iv) Stock issue of the Ultimate Holding Company amounting to USD 10.90 million (S\$14.66 million ; INR 905.34 millions) on or by 31 March 2023 basis certain performance conditions of the Acquired enterprises based on an earnout model. The Acquired enterprises are engaged in the business of software development services and provides digital, loyalty and analytical services.

The Acquisition Agreement also provides for Employee Stock Options (ESOPs) of the Ultimate Holding Company aggregating to USD 4.10 million (S\$5.51 million ; INR 340.24 millions) which will be issued by end of 31 March 2023 to the employees of the Acquired enterprises basis certain performance conditions of the Acquired enterprises based on an earnout model.

Additionally, these ESOPs will be governed by the terms and conditions of the employment contract (including clauses around continuity of employment) of the Company. Accordingly, since the issuance of these grants are dependent on future performance and continuity of the employment and also since it is not directly attributable to the acquisition, management has not considered these as purchase consideration in the proforma financial information. Moreover, considering these ESOP's will be granted only after a period of nineteen months from the date of acquisition, no acquisition adjustments has been made for the same in the proforma financial information.

As on 31 March 2023, the Acquired Enterprises did not achieve the earn out condition mentioned in the Acquisition Agreement and hence the contingent consideration was no longer payable. The management of the Company, vide a Waiver and Consent Letter granted an agreed USD 0.83 million (S\$1.10 million ; INR 67.93 millions) fully vested options of the Ultimate Holding Company and a cash payout of USD 0.38 million (S\$0.51 million ; INR 23.46 millions) as a final settlement with the erstwhile shareholders and the investors of the Acquired Enterprises. The balance contingent consideration of USD 2.12 million (S\$2.37 million ; INR 146.36 millions) which is no longer payable has been reduced from the cost of investment.

There is no change in the financial statements towards the balance stock payable presented as "Contribution from Ultimate Holding Company" which is no longer payable to the selling shareholders of the Acquired Enterprises. Based on directors' opinion, there is no indication of impairment on the investments in subsidiaries.

²Capillary Technologies LLC entered into a stock purchase agreement dated 30 March 2023 to acquire 100% stake in Brierley & Partners Inc., for a total consideration of USD 10 million, consisting primarily of cash. Brierley Group provides customer relationship management and loyalty products and services, including technology, marketing and strategy to global companies. The Company has contributed USD 8.2 million to the wholly owned subsidiary for the acquisition.

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Notes forming part of translated version of financial statements

5. Trade and other receivables

Trade receivables:

Third parties
Less: Allowance for credit losses

Other receivables (current):

Amount due from related parties
Contract assets¹
Deposits
Capitalised contract costs²
Statutory dues payable
Advances paid
Prepaid expenses

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
S\$		
59,86,095	54,45,607	45,68,454
(4,81,233)	(14,567)	(14,567)
55,04,862	54,31,040	45,53,887
91,61,012	43,73,435	1,51,19,534
8,61,352	12,25,947	9,19,999
9,543	9,543	9,543
1,733	2,013	6,766
1,67,134	59,309	40,339
32,600	27,597	44,695
1,31,487	1,85,878	2,71,314
1,03,64,861	58,83,722	1,64,12,190
1,58,69,723	1,13,14,762	2,09,66,077
239	2,273	5,444
3,133	14,799	30,529
3,372	17,072	35,973

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
INR in millions		
380.41	336.42	282.13
(30.58)	(0.90)	(0.90)
349.83	335.52	281.23
582.17	270.19	933.72
54.74	75.74	56.82
0.61	0.59	0.59
0.11	0.12	0.42
10.62	3.66	2.49
2.07	1.70	2.76
8.36	11.48	16.76
658.68	363.48	1,013.56
1,008.51	699.00	1,294.79
0.02	0.14	0.34
0.20	0.91	1.89
0.22	1.05	2.23

Trade receivables are non-interest bearing and are generally on 30 to 45 day's terms. Other receivables relates to Amount due from related parties are unsecured, non-interest bearing and repayable on demand and denominated in United state Dollars.

The movement in allowance for expected credit losses of trade receivables is as follows:

Movement in allowance for expected credit losses:*

Opening balance

Transferred pursuant to Business Transfer Agreement ("BTA")
Provision made during the period/year
Provision (utilized)/(reversed) during the period/year

Closing balance

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
S\$		
14,567	14,567	-
-	-	5,101
4,69,075	-	14,567
(2,409)	-	(5,101)
4,81,233	14,567	14,567

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
INR in millions		
0.90	0.90	-
-	-	0.32
29.81	-	0.90
(0.16)	-	(0.32)
30.55	0.90	0.90

* Movement does not include bad debts written off amounting to S\$ Nil (INR Nil) (2024: S\$ 121,524 (INR 7.48 millions)) (2023: S\$ 8,269,499 ; INR 483.69 millions) during the financial year.

Trade receivables are denominated in the following currencies:

United States Dollars
Euro
Singapore Dollars
Thai Bhat
Malaysian Ringgit
Hongkong Dollars

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
S\$		
52,25,648	52,03,535	39,45,600
-	-	13,009
2,76,964	2,20,169	2,24,108
-	3,825	3,09,716
2,250	3,511	24,640
-	-	36,814
55,04,862	54,31,040	45,53,887

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
INR in millions		
332.08	321.47	243.66
-	-	0.80
17.60	13.60	13.84
-	0.24	19.13
0.15	0.21	1.52
-	-	2.28
349.83	335.52	281.23

¹Contract assets represent the unbilled revenue, that primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional and is current but not due. There are no allowances against such contract assets in the current reporting year.

Contract assets

Opening balance

Add: Satisfied performance obligations not invoiced
Less: Contract assets invoiced

Closing balance

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
S\$		
12,25,947	9,19,999	7,63,499
8,61,352	12,25,947	9,19,999
(12,25,947)	(9,19,999)	(7,63,499)
8,61,352	12,25,947	9,19,999

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
INR in millions		
75.74	56.84	47.15
54.74	75.74	56.82
(75.74)	(56.84)	(47.15)
54.74	75.74	56.82

² Capitalised contract costs represent capitalised commission costs paid to sales team and set out below is the movement in the capitalised contract costs:

Opening balance

Additions
Amortisation

Closing balance

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
S\$		
4,286	12,210	20,979
-	2,932	14,323
(2,314)	(10,856)	(23,092)
1,972	4,286	12,210
239	2,013	6,766
1,733	2,273	5,444
1,972	4,286	12,210

As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
INR in millions		
0.26	0.75	1.30
-	0.18	0.88
(0.13)	(0.67)	(1.42)
0.13	0.26	0.76
0.02	0.12	0.42
0.11	0.14	0.34
0.13	0.26	0.76

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6. Cash and bank balances

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Cash and cash equivalents: Cash at bank	2,13,30,890	14,03,544	1,35,103	1,355.56	86.71	8.34
Bank deposits			12,454			0.78
	<u>2,13,30,890</u>	<u>14,03,544</u>	<u>1,47,557</u>	<u>1,355.56</u>	<u>86.71</u>	<u>9.12</u>

The carrying amounts are assumed to be a reasonable approximation of fair value. The Company maintains its cash and cash equivalents with reputed banks who exhibit minimal credit risk characteristics and consequently credit risk allowance on these balances is negligible.

Included in cash and bank balances are bank deposits amounting to Nil (31 March 2023: S\$12,454 ; INR 0.77 millions) which are not freely remissible for use by the Company because of bank guarantee given.

The cash and bank balances as at the reporting date are denominated in the following currencies:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
United States Dollar	2,11,40,164	13,93,150	1,06,960	1,343.44	86.07	6.61
Singapore Dollar	1,90,726	10,394	40,597	12.12	0.64	2.51
	<u>2,13,30,890</u>	<u>14,03,544</u>	<u>1,47,557</u>	<u>1,355.56</u>	<u>86.71</u>	<u>9.12</u>

7. Share Capital

	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	No. of Shares	S\$	No. of Shares	S\$	No. of Shares	S\$
Issued, Subscribed and Fully Paid-up Capital						
Opening balance	3,18,52,19,421	4,71,50,592	2,36,52,59,641	4,19,21,904	1,56,37,06,564	1,71,82,875
Issued during the year	-	-	1,30,96,42,856	1,38,53,315	80,15,53,077	1,41,07,909
Share application money pending allotment	-	-	-	-	-	1,06,31,120
Cancellation of shares during the year	-	-	(48,96,83,076)	(86,24,627)	-	-
Closing balance	<u>3,18,52,19,421</u>	<u>4,71,50,592</u>	<u>3,18,52,19,421</u>	<u>4,71,50,592</u>	<u>2,36,52,59,641</u>	<u>4,19,21,904</u>
	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	No. of Shares	INR in millions	No. of Shares	INR in millions	No. of Shares	INR in millions
Issued, Subscribed and Fully Paid-up Capital						
Opening balance	3,18,52,19,421	2,785.11	2,36,52,59,641	2,424	1,56,37,06,564	934.71
Issued during the year	-	-	1,30,96,42,856	859.55	80,15,53,077	1,489.60
Share application money pending allotment	-	-	-	-	-	-
Cancellation of shares during the year	-	-	(48,96,83,076)	(498.75)	-	-
Closing balance	<u>3,18,52,19,421</u>	<u>2,785.11</u>	<u>3,18,52,19,421</u>	<u>2,785.11</u>	<u>2,36,52,59,641</u>	<u>2,424.31</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value. The Company has employee share option plan under which options to subscribe for the Company's ordinary shares have been granted to employees of the Company.

On 29 March 2023, Capillary Technologies India Limited paid for 571,428,571 equity shares of CPL at a fair value of USD 0.014 per share aggregating to USD 8 (S\$10.63 million ; INR 657.67 millions) million for which allotment was completed during the financial year ended 31 March 2024.

On 23 August 2023, the company cancelled 489,683,076 equity shares amounting to S\$ 8,624,627 (INR 526.49 millions) which was allotted to CTIL by way Capitalisation of export receipts under automatic route. The Company had filed a Overseas Direct Investment ('ODI') application with Authorised Dealer ('AD') bank dated December 13, 2022 for investment in CPL by capitalization of export receipts. CPL had allotted 489.68 million equity shares at the rate of USD 0.0140 (INR 1.16) dated December 20, 2022 against the capitalisation of export receipts. However AD bank approval for the said transaction approval had not been received and on August 04, 2023 the Company with the consent of AD bank had withdrawn the ODI application. 489.68 million equity shares allotted dated December 20, 2022 was cancelled by CPL on August 23, 2023 and amount was repaid to CTIL.

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8. Capital Contribution

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Capital contribution from Immediate / Ultimate Holding Company						
Opening balance	1,47,26,722	1,47,31,510	1,47,22,734	0.22	0.51	0.00
Employee stock option expenses	-	(4,788)	8,776	-	(0.29)	0.51
Closing balance	1,47,26,722	1,47,26,722	1,47,31,510	0.22	0.22	0.51

9. Capital Reserve

Pursuant to the Business and Loan Transfer Agreement ('BTA') dated 1 November 2021, the Ultimate Holding Company has transferred the business including transfer of Business Assets and Liability to CPL at a consideration of USD 0.22 million (S\$0.29 million ; INR 16.48 millions).

The excess of consideration paid over net assets acquired has been presented as a 'Capital reserve' since this represents a business combination under 'common control' in accordance with FRS 103 Business Combination and applicable accounting pronouncements.

	Balance as on date of BTA	Balance as on date of BTA
	S\$	INR in millions
(a) Business assets	2,97,44,784	1,720.11
(b) Business liabilities	3,18,62,067	1,842.55
(c) Net business assets (a)-(b)	(21,17,283)	(122.44)
(d) Consideration paid	2,90,605	11.12
(e) Capital reserve (c)-(d)	(24,07,888)	(133.56)

10. Share-based payments

Description of share-based payment arrangement

(i) Capillary Employees Stock Option Scheme ("CESP")

The shareholders of the Parent Company have approved the 'Capillary Employees Stock Option Scheme' - 2021 (CESP). The plan provides for the issue of 7,175,000 options to eligible employees and eligible directors of the Capillary Group. Capillary Group shall mean the Company and its wholly owned subsidiaries, either existing or as may be incorporated from time to time and its Holding company and any successor company thereof.

The plan is administered by a Board of Directors of the Company/compensation committee/ nomination and remuneration committee constituted by the Board (as the case may be) (Administrator). Under CESP all employees are entitled to a grant of options once they have been in service and eligible based on conditions determined by the Administrator. The exercise price shall be as may be determined by the Administrator at the time of grant of options provided that the exercise price shall not be more than the fair market value of the shares as on the date of grant of options.

There shall be a minimum period of one (1) year between the grant of options and vesting of options, with a maximum period of ten (10) years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and the options would vest on a quarterly basis. The option grantee may exercise the vested options (whether granted pre-listing or post-listing) within (a) 10 (ten) years from the date of vesting of options, or (b) 12 (twelve) years from the date of listing, whichever is later.

Measurement of fair values

The fair value of the share options granted under the CESP is estimated at the grant date using Black-Scholes 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 parent Company.

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	61.90%	62.40%	62.40%
Risk-free interest rate (% p.a.)	6.60%	7.12%	7.12%
Expected life of option (years)	5.55	5.55	5.57-6.25
Weighted average share price as per Pre-Discount for Lack of Marketability ("DLOM") & Pre-Discount for Lack of Control ("DLOC")	INR 526.70 S\$8.29	INR 308 S\$4.99	INR 376- INR 308 S\$6.80- S\$4.93
Weighted average share price as per Post-Discount for Lack of Marketability ("DLOM") & Pre-Discount for Lack of Control ("DLOC")	INR 509.51 S\$8.02	INR 297.25 S\$4.81	INR 376- INR 308 S\$6.80- S\$4.93

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.

Movements during the year

The following table illustrates the number and Weighted Average Exercise Price (WAEP) of, and movements in,

	As on and for the year ended 31 March 2025		As on and for the year ended 31 March 2024		As on and for the year ended 31 March 2023	
	No. of Shares	WAEP	No. of Shares	WAEP	No. of Shares	WAEP
Option outstanding at the beginning of the year	920	1.82	10,298	1.82	1,724	-
Granted during the year	-	-	-	-	9,378	2.00
Forfeited/ lapsed during the year	(920)	-	(9,378)	-	(804)	-
Modified/exercised during the year	-	-	-	-	-	-
Options outstanding at the end of the year	-	-	920	1.82	10,298	1.82
Exercisable at year	-	-	920	-	10,298	-

There are no vested and unvested options as at the year end.

Expense recognised in statement of profit and loss and other comprehensive income

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

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Expense arising from equity settled share-based payment transaction of CESP recognised in statement of comprehensive income	-	(4,788)	8,766	-	(0.29)	0.51

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11. Borrowings

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
<i>Current</i>						
Current maturities of long-term borrowings	-	-	6,81,944	-	-	42.11
Total Borrowings	-	-	6,81,944	-	-	42.11

United States Dollar term loan from a body corporate (Non-Banking Financial Company) carries interest of 9.50% per annum and is payable on a monthly basis stating from 12 August 2021 to 31 October 2021 (interest only period) and 1 November 2021 to 1 July 2023 (instalment period). The loan is secured by a debenture deed dated 12 August 2021; incorporating a first and exclusive fixed and floating charge over all of Company's present and future assets including, bank accounts, book debts, investments and dividends, licences, intellectual property, uncalled capital, and goodwill. Company shall cause such charge to be filed with the Accounting and Corporate Regulate Authority of Singapore prior to the drawdown of the loan. The Company's subsidiaries in United States, United Arab Emirates, Malaysia and China each provided a corporate guarantee guaranteeing the repayment of loan along with interest. Further, the Company has issued warrants to the Lenders to subscribe to the shares of Ultimate Holding Company at pre-determined subscription price. Subscription price is the warrant price or if the warrants shares are issued on net issuance basis, the price will be determined as per the condition mentioned in the warrant instrument agreement dated 29 August 2016.

In accordance with the guidance available under FRS 32 and FRS 109, these warrants should be accounted as liability with a corresponding adjustment to effective interest rate for the loan facility. However, the management has assessed that the impact of the aforementioned accounting on the financial statements of the Company is not material and consequently no adjustments have been recorded in these financial statements.

As of the date of authorization of these financial statements, the lender has not exercised these warrants.

The Company pledged the shares of Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) to body corporate following the acquisition of Capillary Technologies LLC (formerly known as Persuade Loyalty LLC). As per the loan agreement, the Company shall maintain an RML (remaining months of liquidity) of at least 4 at all times during the tenor of the facility on a consolidated group level. The company has complied all the covenant as required under loan arrangements.

12. Trade and other payables

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
<i>Trade payables:</i>						
Third parties	28,43,450	33,70,228	37,35,595	180.70	208.21	230.70
Related parties	1,03,79,044	54,58,326	1,14,09,668	659.58	337.21	704.62
	1,32,22,494	88,28,554	1,51,45,263	840.28	545.42	935.32
<i>Other payables (Current):</i>						
Accrued operating expenses	8,401	-	32,738	0.53	-	2.02
Payable towards share purchase	87,083	1,97,245	1,75,445	5.53	12.19	10.83
Advance from customers	1,66,609	-	-	10.59	-	-
Contract liabilities ¹	45,25,999	49,65,451	29,40,921	287.62	306.76	181.62
	47,88,092	51,62,696	31,49,104	304.27	318.95	194.47
	1,80,10,586	1,39,91,250	1,82,94,367	1,144.55	864.37	1,129.79
<i>Other payables (Non-current):</i>						
Payable towards share purchase	-	86,102	2,79,072	-	5.32	17.23
	-	86,102	2,79,072	-	5.32	17.23
Total trade and other payables	1,80,10,586	1,39,91,250	1,82,94,367	1,144.55	864.37	1,129.79

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Trade payables are denominated in the following currencies:						
United States Dollars	10,84,760	9,12,596	8,48,108	68.94	56.38	52.38
Singapore Dollars	17,58,563	24,37,777	28,84,489	111.75	150.60	178.13
Australian Dollars	-	3,175	-	-	0.20	-
Great British Pound	-	16,680	-	-	1.03	-
Thai Bhat	-	-	598	-	-	0.04
Philippine peso	127	-	-	0.01	-	-
Malaysian Ringgit	-	-	2,400	-	-	0.15
	28,43,450	33,70,228	37,35,595	180.70	208.21	230.70

Trade amounts are trade in nature, non-interest bearing and to be settled in cash. Trade payables are normally settled at 30 to 90 days term. Amount due to related parties are unsecured, non-interest bearing, trade and repayable on demand.

Contract liabilities represents amounts billed or collected in accordance with contractual terms in advance of when the service is performed. Contract liabilities are recognised as revenue as the Company performs under the contract. The current portion of contract liabilities represents the balance that the Company and the Company estimates will be earned as revenue over the next twelve months.

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Contract liabilities						
Opening balance	49,65,451	29,40,921	26,29,391	306.76	181.62	162.38
Add: Revenue to be recognized from performance obligations to be satisfied in succeeding year	45,25,999	49,65,451	29,40,921	287.62	306.76	181.62
Less: Revenue recognized that was included in contract liability at the beginning of the year	(49,65,451)	(29,40,921)	(26,29,391)	(306.76)	(181.62)	(162.38)
Closing balance	45,25,999	49,65,451	29,40,921	287.62	306.76	181.62

13. Provisions

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Provision for compensated absences	-	-	6,816	-	-	0.42
Provision of tax expenses on profits of a subsidiary*	-	-	16,752	-	-	1.03
	-	-	23,568	-	-	1.46

*In accordance with the terms of the local regulations in the respective jurisdiction, the Company is obligated to pay the taxes in respect of the profits earned by the subsidiary.

However, since this is an obligation undertaken on behalf of the subsidiary and recoverable therefrom, the corresponding adjustment is made within the balances recoverable from the subsidiary.

Capillary Pte. Ltd.**Registered office- 68 Circular Road, #02-01, Singapore 049422****Notes forming part of translated version of financial statements****14. Revenue****(a) Disaggregation of revenue -**

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Revenue recognised over time:						
Installation services	19,09,604	23,17,596	33,72,447	120.66	142.66	197.26
Retainer services	1,10,53,863	1,14,19,446	1,12,78,936	698.46	702.93	659.71
	1,29,63,467	1,37,37,042	1,46,51,383	819.12	845.59	856.97
Revenue recognised at a point-in-time:						
Campaign services	6,03,034	21,76,073	19,46,377	38.10	133.95	113.84
	1,35,66,501	1,59,13,115	1,65,97,760	857.22	979.54	970.81

No individually customers accounted for more than 10% of the total revenue.

(a) Contract balances -

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Trade receivables	55,04,862	54,31,040	45,53,887	349.83	335.52	281.23
Contract assets	8,61,352	12,25,947	9,19,999	54.74	75.74	56.82
Contract liabilities	45,25,999	49,65,451	29,40,921	287.62	306.76	181.62

The Company expects to recognise all the unsatisfied performance obligation within next year.

15. Other income

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Provisions / liabilities written back	-	1,74,246	2,45,352	-	10.73	14.35
Net gain on disposal of property, plant and equipment	-	-	8,85,434	-	-	51.79
Gain / (Loss) on sale of investment	5,271	-	-	0.33	-	-
Miscellaneous income	38,668	13,174	137,938	2.44	0.81	8.07
	43,939	1,87,420	12,68,724	2.77	11.54	74.21

16. Employee benefits expense

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Salaries, wages and bonuses	1,50,141	2,30,161	3,44,038	9.49	14.17	20.12
Defined contribution plan related expenses	79	26,291	32,556	-	1.62	1.90
Sales commission expenses	2,694	10,856	20,578	0.17	0.67	1.20
Recruitment and training	-	31,175	27,244	-	1.92	1.59
Other employee benefit related expenses (also refer note 10 for employee stock option expenses)	9,984	20,517	23,500	0.63	1.26	1.37
	1,62,898	3,19,000	4,47,916	10.29	19.64	26.18

17. Finance costs

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Bank charges	42,444	57,774	42,749	2.68	3.56	2.50
Interest expenses on borrowings	18,095	34,028	2,23,908	1.14	2.09	13.10
	60,539	91,802	2,66,657	3.82	5.65	15.60

18. Other operating expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Travelling and conveyance	59,882	2,05,445	1,09,161	3.78	12.65	6.38
Communication costs	1,927	4,773	3,197	0.12	0.29	0.19
Loss on realized foreign exchange (net)	-	-	-	-	-	-
Audit fees	-	26,358	26,358	-	1.62	1.54
Selling and marketing expenses	14,135	2,37,218	7,65,466	0.89	14.60	44.77
Bad debts written off	4,69,075	1,21,524	82,69,499	29.64	7.48	483.69
Rates and service taxes	74,829	1,21,917	1,70,184	4.73	7.50	9.95
Software and server charges	40,91,746	33,27,337	26,23,248	258.55	204.81	153.44
Property, plant and equipment written off	812	-	-	0.05	-	-
Loss on account of foreign exchange fluctuations (net)	1,03,943	-	-	6.57	-	-
Miscellaneous expenses	3,88,883	3,20,856	86,476	24.57	19.75	5.06
	52,05,232	43,65,428	1,20,53,589	328.90	268.70	705.02

19. Income tax expense

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to loss before income tax as a result of the following:

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	S\$			INR in millions		
Accounting profit/(loss) before tax	54,384	6,68,027	(67,07,073)	3.43	41.14	(392.29)
Income tax (benefit)/expense at statutory rate at 17%	9,245	1,13,565	(11,40,202)	0.58	6.99	(66.69)
Effects of						
Non-deductible expenses	-	6,288	46,567	-	0.39	2.72
Deferred tax assets not recognised	-	-	10,93,635	-	-	63.97
Others	(9,245)	(1,19,853)	-	(0.58)	(7.38)	-
Income tax expense recognised in profit or loss	-	-	-	-	-	-

At the reporting date, the Company has unabsorbed tax losses available for offsetting against any future taxable income subject to the provisions of tax legislation. The deferred income tax benefits have not been recognised in the financial statements as it is not probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

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20. Related Party Transactions

(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., the Ultimate Holding Company Capillary Technologies India Limited, India (formerly known as Capillary Technologies India Private Limited), the Immediate Holding Company Capillary Brierley Inc, USA, Sub Subsidiary
Subsidiary companies	Capillary Technologies DMCC, UAE Capillary Technologies Shanghai Co. Ltd., China Capillary Technologies (Malaysia) Sdn Bhd, Malaysia PT Capillary Technologies Indonesia, Indonesia Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) Persuade Holdings Inc. (formerly known as Persuade Holdings LLC) Capillary Technologies Europe Limited, UK (formerly known as Brierley Europe Limited)
Key managerial personnel	Mr. Bu Wenliang Mr. Anesh Reddy Boddu Mr. Nigudagi Santosh Reddy Mr. Hau Chin Hui Mr. Tan Vyunyun

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

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2024
	S\$			INR in millions		
1) Transactions during the period						
(a) Professional and consultancy services						
Capillary Technologies India Limited, India	1,98,20,728	1,06,62,935	1,08,13,891	1,252.41	656.36	632.51
Capillary Technologies DMCC, UAE	-	-	27,09,063	-	-	158.45
PT Capillary Technologies Indonesia, Indonesia	-	-	4,58,379	-	-	26.81
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	6,07,860	5,89,536	(8,90,118)	38.41	36.29	(52.06)
Capillary Technologies LLC, USA	-	-	(1,24,166)	-	-	(7.26)
(b) Reimbursement of expenses incurred by the Company						
Professional and consultancy services						
Capillary Technologies India Limited, India	-	-	1,78,138	-	-	10.42
Capillary Technologies DMCC, UAE	21,66,290	17,40,900	-	136.88	107.16	-
PT Capillary Technologies Indonesia, Indonesia	2,43,780	3,62,863	-	15.40	22.34	-
Capillary Technologies LLC, USA	97,98,165	12,10,887	9,611	619.12	74.54	0.56
Capillary Technologies Europe Limited, UK	6,99,041	-	-	44.17	-	-
Software and server charges						
Capillary Technologies DMCC, UAE	8,84,887	5,98,320	6,09,372	55.91	36.83	35.64
Capillary Technologies India Limited, India	24,36,881	26,26,316	23,24,219	153.98	161.66	135.95
Capillary Technologies LLC, USA	4,43,923	-	-	28.05	-	-
Capillary Brierley Inc, USA	14,39,044	1,66,714	-	90.93	10.26	-
Capillary Technologies Inc., USA	30,552	-	-	1.93	-	-
Capillary Technologies Europe Limited, UK	8,34,605	5,18,727	-	52.74	31.93	-
Campaign Services						
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	7,901	-	-	0.50	-	-
PT Capillary Technologies Indonesia, Indonesia	3,927	-	-	0.25	-	-
Other expenses						
PT Capillary Technologies Indonesia, Indonesia	-	21,909	-	-	1.35	-
(c) Reimbursement of expenses incurred on behalf of the Company						
Professional and consultancy services						
Capillary Technologies India Limited, India	-	-	1,11,771	-	-	6.54
Capillary Technologies DMCC, UAE	-	-	11,36,397	-	-	66.47
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	-	9,722	-	-	0.60	-
PT Capillary Technologies Indonesia, Indonesia	-	22,093	22,494	-	1.36	1.32
Campaign services						
Capillary Technologies India Limited, India	30,245	-	-	1.91	-	-
Capillary Technologies DMCC, UAE	8,58,330	4,87,793	-	54.24	30.03	-
Other expenses						
Capillary Technologies LLC, USA	-	33,34,778	-	-	205.27	-
Capillary Technologies Europe Limited, UK	-	16,58,659	-	-	102.10	-
Capillary Technologies India Limited, India	-	24,277	-	-	1.49	-
(d.) Issue of share capital						
Capillary Technologies India Limited, India	-	1,38,53,315	54,83,280	-	852.74	320.72
(e) Equity share application money pending allotment						
Capillary Technologies India Limited, India	2,01,23,530	-	1,06,31,120	1,271.55	-	621.82
(f) Payments made by group companies on behalf of the Company						
Capillary Technologies International PTE Ltd	1,24,551	5,642	-	7.87	0.35	-
Capillary Technologies India Limited, India	46,894	-	-	2.96	-	-
Capillary Technologies DMCC, UAE	10,48,992	-	-	66.28	-	-
Capillary Technologies LLC, USA	6,86,473	1,97,952	-	43.38	12.18	-

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20. Related Party Transactions (continued)**1) Transactions during the period (continued)****(g) Payments collected by the Company on behalf of the group companies**

Capillary Technologies DMCC, UAE	17,110	-	81,72,749	1.08	-	478.03
Capillary Technologies India Limited, India	1,01,168	-	-	6.39	-	-
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	5,040	-	-	0.32	-	-
Capillary Brierly Inc, USA	4,827	-	-	0.31	-	-
Capillary Technologies Inc International Pte Ltd, Singapore	40,943	-	-	2.59	-	-

(h) Investments made during the year

Capillary Technologies LLC, USA	-	-	1,09,63,544	-	-	677.07
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(i) Advance to group companies

Capillary Technologies LLC, USA	-	-	2,81,439	-	-	17.38
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	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	S\$			INR in millions		
Outstanding balances as at year end						
Trade payables						
Capillary Technologies India Limited, India	44,90,727	45,34,696	72,28,019	285.38	280.15	446.37
Capillary Technologies Europe Limited, UK	2,45,397	9,23,630	-	15.59	57.06	-
Capillary Technologies International Pte. Ltd.	-	-	34,65,987	-	-	214.05
Capillary Technologies Shanghai Co. Ltd., China	-	-	2,13,640	-	-	13.19
Capillary Technologies LLC, USA	30,33,022	-	5,02,022	192.75	-	31.00
Other receivables						
Capillary Technologies India Limited, India	33,33,144	8,64,762	92,93,369	211.82	53.42	573.92
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	11,04,086	10,80,061	10,67,865	70.16	66.73	65.95
Capillary Technologies DMCC, UAE	18,08,344	16,06,194	15,15,451	114.92	99.23	93.59
Capillary Technologies LLC, USA	-	4,47,605	16,751	-	27.65	1.03
PT Capillary Technologies Indonesia, Indonesia	1,67,375	2,48,727	3,68,630	10.64	15.37	22.77
Capillary Brierley Inc, USA	1,38,164	1,26,086	-	8.78	7.79	-
Capillary Technologies International Pte Ltd, Singapore	-	-	28,57,468	-	-	176.47
Equity share capital						
Capillary Technologies India Limited, India	4,71,50,592	4,71,50,592	4,19,21,904	-	2,912.92	2,588.93
Investments						
Capillary Technologies LLC, USA	4,59,11,087	4,59,11,087	4,24,64,714	-	2,836.35	2,622.45
Capillary Technologies DMCC, UAE	6,57,945	6,57,945	-	-	40.65	-
Capillary Technologies Europe Limited, UK	48,52,749	48,52,749	-	-	299.80	-

Key Managerial Personnel's interests in the share-based payments plan:

Key management personnel are the directors having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The directors did not receive any remuneration during the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023.

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21. 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 2(h).

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. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material. There are no financial instruments which are measured at fair value through profit and loss or fair value through other comprehensive income as at 31 March 2025, 31 March 2024 and 31 March 2023.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31 March 2025, 31 March 2024 and 31 March 2023:

	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
	S\$			INR in millions		
Financial assets						
(i) Investments	20	20	20	0.00	0.00	0.00
(ii) Trade receivables	55,04,862	54,31,040	45,53,887	349.83	335.52	281.23
(iii) Cash and bank balances	2,13,30,890	14,03,544	1,47,557	1,355.56	86.71	9.11
(iv) Other financial assets	1,00,31,907	56,08,925	1,60,49,076	637.52	346.52	991.13
Total	3,68,67,679	1,24,43,529	2,07,50,540	2,342.91	768.76	1,281.47
Financial liabilities						
(i) Borrowings	-	-	9,61,016	-	-	59.35
(ii) Trade payables	1,32,22,494	88,28,554	1,51,45,263	840.28	545.42	935.31
(iii) Other financial liabilities	2,62,093	2,83,347	4,87,255	16.65	17.51	30.08
Total	1,34,84,587	91,11,901	1,65,93,534	856.93	562.93	1,024.75

Fair value of assets and liabilities

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2025, 31 March 2024 and 31 March 2023.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, other receivables, other payables and provisions

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Loan to the holding company and bank borrowings

The carrying amounts of loan to the holding company and bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Amount payable/receivable from the related companies, borrowings and other assets/liabilities

The carrying amounts of amount payable/receivable from the related companies, borrowings and other assets/liability approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

22. Financial Risk Management Objectives And Policies

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include currency risk, interest rate risk, price risk, liquidity risk and credit risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current financial period, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

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22. Financial Risk Management Objectives And Policies (continued)

(a) Currency risk

Currency risk is the risk that fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency exchange fluctuations mainly in Singapore Dollar ("SGD"), Euros ("EUR"), Malaysia Ringgit ("MYR"), Thai Baht ("THB"), Hong Kong Dollar ("HKD"), Bangladeshi Taka ("BDT"), Malaysia Ringgit ("MYR") and United Arab Emirates Dirham ("AED"). The Company also holds cash and bank balances denominated in foreign currencies for working capital purposes.

The Company are exposed to currency translation risk arising from its net investments in foreign operation. The Company does not have any formal policy on managing its foreign exchange risk.

	USD	SGD	EUR	MYR	THB	PHP	GBP	AUD
SS								
31 March 2025								
Financial assets								
Trade and other receivables	92,27,749	2,67,582	-	7,384	-	-	-	-
Cash and bank balances	1,57,20,337	1,90,726	-	-	-	-	-	-
	2,49,48,086	4,58,308	-	7,384	-	-	-	-
Financial liabilities								
Trade and other payables	76,98,958	3,67,005	-	-	-	5,461	-	-
	76,98,958	3,67,005	-	-	-	5,461	-	-
Net financial assets / (liabilities)								
	1,72,49,128	91,303	-	7,384	-	(5,461)	-	-
	USD	SGD	EUR	MYR	THB	HKD	GBP	AUD
SS								
31 March 2024								
Financial assets								
Trade and other receivables	1,06,03,367	4,27,306	-	5,466	3,825	-	-	-
Cash and bank balances	13,93,150	10,394	-	-	-	-	-	-
	1,19,96,517	4,37,700	-	5,466	3,825	-	-	-
Financial liabilities								
Trade and other payables	65,68,167	24,37,777	-	-	-	-	16,680	3,175
	65,68,167	24,37,777	-	-	-	-	16,680	3,175
Net financial assets / (liabilities)								
	54,28,350	(20,00,077)	-	5,466	3,825	-	(16,680)	(3,175)
	USD	SGD	EUR	MYR	THB	HKD	GBP	AUD
31 March 2023								
Financial assets								
Trade and other receivables	1,99,94,676	2,24,108	13,009	24,640	3,09,716	36,814	-	-
Cash and bank balances	1,06,960	40,597	-	-	-	-	-	-
	2,01,01,636	2,64,705	13,009	24,640	3,09,716	36,814	-	-
Financial liabilities								
Trade and other payables	1,24,65,959	28,84,489	-	2,400	598	-	-	-
Borrowings	6,81,944	-	-	-	-	-	-	-
	1,31,47,903	28,84,489	-	2,400	598	-	-	-
Net financial assets / (liabilities)								
	69,53,733	(26,19,784)	13,009	22,240	3,09,118	36,814	-	-
	USD	SGD	EUR	MYR	THB	HKD	GBP	AUD
INR in millions								
31 March 2025								
Financial assets								
Trade and other receivables	586.41	17.00	-	0.47	-	-	-	-
Cash and bank balances	999.01	12.12	-	-	-	-	-	-
	1,585.42	29.12	-	0.47	-	-	-	-
Financial liabilities								
Trade and other payables	489.26	23.32	-	-	-	0.35	-	-
	489.26	23.32	-	-	-	0.35	-	-
Net financial assets / (liabilities)								
	1,096.16	5.80	-	0.47	-	-0.35	-	-
	USD	SGD	EUR	MYR	THB	HKD	GBP	AUD
INR in millions								
31 March 2024								
Financial assets								
Trade and other receivables	655.07	26.40	-	0.34	0.24	-	-	-
Cash and bank balances	86.07	0.64	-	-	-	-	-	-
	741.13	27.04	-	0.34	0.24	-	-	-
Financial liabilities								
Trade and other payables	405.78	150.60	-	-	-	-	1.03	0.20
	405.78	150.60	-	-	-	-	1.03	0.20
Net financial assets / (liabilities)								
	335.36	(123.56)	-	0.34	0.24	-	(1.03)	-0.20

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22. Financial Risk Management Objectives And Policies (continued)

	USD	SGD	EUR	MYR	THB	HKD	GBP	AUD
	INR in millions							
31 March 2023								
Financial assets								
Trade and other receivables	1,234.79	13.84	0.80	1.52	19.13	2.27	-	-
Cash and bank balances	6.61	2.51	-	-	-	-	-	-
	1,241.40	16.35	0.80	1.52	19.13	2.27	-	-
Financial liabilities								
Trade and other payables	769.85	178.13	-	0.15	0.04	-	-	-
Borrowings	42.11	-	-	-	-	-	-	-
	811.96	178.13	-	0.15	0.04	-	-	-
Net financial assets / (liabilities)	429.44	(161.79)	0.80	1.37	19.09	2.27	-	-

(b) Foreign exchange risk sensitivity

The following table details the sensitivity to a 5% increase and decrease in the Singapore Dollars against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 5% change in foreign currency rates.

If the Singapore Dollars strengthens by 5% (2024: 5% ; 2023: 5%) with all other variables including tax rate being held constant, the effects on the net profit/(loss) after tax will be as follows:

	Increase/(Decrease)			Increase/(Decrease)		
	Profit after tax	Profit after tax	Loss after tax	Profit after tax	Profit after tax	Loss after tax
	2025	2024	2023	2025	2024	2023
	S\$			INR in millions		
USD		4,01,069	2,79,452		25.34	17.20
SGD		(8,814)	(1,00,004)		(0.56)	(6.16)
EURO		-	-		-	-
MYR		-	273		-	0.02
THB		-	191		-	0.01
HKD		-	-		-	-
PHP		(273)	-		(0.02)	-
GBP		-	(834)		-	(0.05)
AUD		-	(159)		-	(0.01)

A 5% weakening of the Singapore Dollars against the relevant foreign currencies at 31 March would have had the equal but opposite effect on profit/(loss) after tax for the year on the basis that all other variables remained constant.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financials instruments at the end of the financial year.

(d) Price risk

At balance sheet date, the Company has no significant exposure to price risk.

(e) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	31 March 2025			31 March 2025		
	One year or less	One to five years	Over five years	One year or less	One to five years	Over five years
	S\$			INR in millions		
Financial assets						
Trade and other receivables	1,55,36,770	-	-	987.35	-	-
Cash and bank balances	2,13,30,890	-	-	1,355.56	-	-
	3,68,67,660	-	-	2,342.91	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	-	-
Borrowings	19,02,652	1,13,19,842	-	120.91	719.36	-
	19,02,652	1,13,19,842	-	120.91	719.36	-
Total net financial asset/(liabilities)	3,49,65,008	(1,13,19,842)	-	2,222.00	(719.36)	-

Capillary Pte. Ltd.

Registered office- 68 Circular Road, #02-01, Singapore 049422

Notes forming part of translated version of financial statements

22. Financial Risk Management Objectives And Policies (continued)

(e) Liquidity risk (continued)

	31 March 2024			31 March 2024		
	One year or less	One to five years	Over five years	One year or less	One to five years	Over five years
	S\$			INR in millions		
Financial assets						
Trade and other receivables	1,10,39,964	17,072	-	682.04	1.05	-
Cash and bank balances	14,03,544	-	-	86.71	-	-
	1,24,43,508	17,072	-	768.75	1.05	-
Financial liabilities						
Trade and other payables	88,28,554	86,102	-	545.42	5.32	-
Bank borrowings	-	-	-	-	-	-
	88,28,554	86,102	-	545.42	5.32	-
Total net financial asset/(liabilities)	36,14,954	(69,030)	-	223.33	(4.26)	-
	31 March 2023			31 March 2023		
	One year or less	One to five years	Over five years	One year or less	One to five years	Over five years
	S\$			INR in millions		
Financial assets						
Trade and other receivables	2,05,91,766	11,197	-	1,271.67	0.69	-
Cash and bank balances	1,47,557	-	-	9.11	-	-
	2,07,39,323	11,197	-	1,280.78	0.69	-
Financial liabilities						
Trade and other payables	1,50,74,374	2,79,072	-	930.93	17.23	-
Bank borrowings	6,81,944	-	-	42.11	-	-
	1,57,56,318	2,79,072	-	973.05	17.23	-
Total net discounted financial liabilities	49,83,005	(2,67,875)	-	307.73	(16.54)	-

(f) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's and the Company's exposure to credit risk arises primarily from trade receivables. For other financial assets (including investment securities, cash and short-term deposits and derivatives), the Company and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Company's historical information. With respect to trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for unsecured receivables based on historical credit loss experience and is adjusted for forward looking information. The allowance of trade receivables is based on the ageing of the receivables that are due.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. Information regarding financial assets that are either past due or impaired is disclosed in Note 5 (trade receivables).

As other receivables are not significant, no detailed age analysis has been set out.

Capillary Pte. Ltd.**Registered office- 68 Circular Road, #02-01, Singapore 049422****Notes forming part of translated version of financial statements****23. Financial Instruments by category**

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
	S\$			INR in millions		
Financial Assets measured at amortised cost						
Trade and other receivables	1,58,69,723	1,10,39,964	2,06,02,963	1,008.51	682.04	1,272.36
Cash and bank balances	2,13,30,890	14,03,544	1,47,557	1,355.56	86.71	9.11
Total Financial Assets measured at amortised cost	3,72,00,613	1,24,43,508	2,07,50,520	2,364.00	768.00	1,281.00
Financial Liabilities measured at amortised cost						
Trade and other payables	1,79,23,504	90,25,799	1,53,53,446	1,139.02	557.61	948.52
Borrowings	-	-	6,81,944	-	-	42.13
Total Financial Liabilities measured at amortised cost	1,79,23,504	90,25,799	1,60,35,390	1,140.00	558.00	991.00

24. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible.

The gearing ratios at 31 March 2025, 31 March 2024 and 31 March 2023 were as follows:

	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
	S\$			INR in millions		
Trade and other payables	1,79,23,504	1,40,77,352	1,85,73,439	1,139.02	869.69	1,147.45
Borrowings	-	-	6,81,944	-	-	42.13
Less: Cash and cash equivalents	(2,13,30,890)	(14,03,544)	(1,47,557)	(1,355.56)	(86.71)	(9.11)
Net debt	(34,07,386)	1,26,73,808	1,91,07,826	(217.00)	783.00	1,181.00
Total capital	7,06,17,148	5,00,81,352	4,44,36,227	4,487.65	3,093.97	2,744.23
Capital and net debt	6,72,09,762	6,27,55,160	6,35,44,053	4,270.65	3,876.97	3,925.23
Gearing ratio	-5.07%	20.20%	30.07%	-5.07%	20.20%	30.07%

The Company is not subject to externally imposed capital requirements for the financial year ended 31 March 2025, 31 March 2024 and 31 March 2023.

25. Contingent liability

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its Standalone Financial Statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the Standalone Financial Statements but does not record a liability in its accounts unless the loss becomes probable.

26. Events occurring post reporting date

The company is not aware of any subsequent events that would require recognition or additional disclosure in these financial statements.

27. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with date of Directors' statement.