

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 and 31 March 2024

To,

The Board of Directors

Capillary Brierley Inc. (formerly known as Brierley & Partners Inc.)

5830 Granite Pkwy STE 100

Plano, Texas 75024

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 Brierley Inc. (formerly known as Brierley & Partners Inc.)** (the “Company”) for the years ended 31 March 2025 and 31 March 2024. 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 Brierley Inc. (formerly known as Brierley & Partners Inc.) 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.

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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: 25501687BMKNKT6371

Place: Bengaluru

Date: 05 June 2025

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)

Translated Version of Statement of Financial Position for the years ended 31 March 2025 and 31 March 2024 (USD to INR in millions)

	Note	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
		\$		INR in millions	
Assets					
Current Assets					
Cash and cash equivalents	3	92,457	7,90,474	7.90	65.88
Accounts receivable, net	4	54,94,501	56,12,222	469.55	467.76
Other receivables from related party	5	2,03,048	14,95,198	17.35	124.62
Other current assets	6	3,68,956	6,35,253	31.53	52.94
		61,58,962	85,33,147	526.33	711.20
Non current assets					
Property, plant and equipment	7	15,499	42,068	1.33	3.50
Prepaid expenses	6	39,745	62,041	3.40	5.17
		55,244	1,04,109	4.73	8.67
Total assets		62,14,206	86,37,256	531.06	719.87
Liabilities and member's equity					
Current liabilities					
Accounts payable		6,14,348	18,60,718	52.50	155.08
Payables to related parties		11,12,273	3,90,882	95.05	32.58
Accrued employee costs		4,21,058	37,918	35.98	3.16
Contract liabilities		9,89,055	8,54,947	84.52	71.26
Other current liabilities		4,44,415	9,83,410	37.98	81.97
		35,81,149	41,27,875	306.03	344.05
Members' Equity					
Member's equity		1	1	0.00	0.00
Capital contribution		56,30,163	55,38,327	462.99	455.22
Accumulated deficit		(29,97,107)	(10,28,947)	(251.60)	(85.18)
Foreign currency translation reserve		-	-	13.64	5.78
Total member's equity		26,33,057	45,09,381	225.03	375.82
Total liabilities and member's equity		62,14,206	86,37,256	531.06	719.87

The accompanying notes are an integral part of these financial statements

For Jain Jindal & Co.

Chartered Accountants

Firm registration number: 025817N



Dheeraj Kumar Dangri

Partner

Membership number: 501687

Place: Bengaluru

Date: 05 June 2025

For and behalf of the Board of Directors

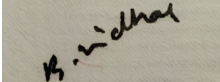


Anant Choubey

Director

Place: Bengaluru

Date: 05 June 2025



Sridhar Bollam

Director

Place: Texas, United States


Date: 05 June 2025

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)
Translated Version of Statement of Income for the years ended 31 March 2025 and 31 March 2024 (USD 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 2025	For the year ended 31 March 2024
		\$		INR in millions	
Revenue from services	8	1,62,73,132	2,01,29,230	1,376.05	1,666.28
Other income		13,312	1,01,433	1.13	8.40
Total revenue		1,62,86,444	2,02,30,663	1,377.18	1,674.68
Employee benefits expense		99,06,628	1,13,64,664	837.70	940.76
Professional and consultancy services		38,66,833	39,28,227	326.98	325.18
Software and server charges		32,42,755	42,23,340	274.20	349.60
Depreciation and amortisation expenses		26,569	68,229	2.25	5.65
Finance costs		34,352	30,204	2.90	2.50
Other expenses		11,77,467	16,44,947	99.57	136.17
		1,82,54,604	2,12,59,611	1,543.60	1,759.86
Net loss		(19,68,160)	(10,28,948)	(166.42)	(85.18)

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

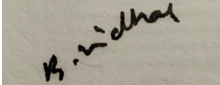
Place: Bengaluru
Date: 05 June 2025

For and behalf of the Board of Directors



Anant Choubey
Director

Place: Bengaluru
Date: 05 June 2025



Director

Place: Texas, United States
Date: 05 June 2025

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)
Translated Version of Statement of Changes in Equity for the years ended 31 March 2025 and 31 March 2024(USD to INR in millions)

(in USD)					
Common stock (number of stock)	Common stock	Accumulated deficit	Capital contribution	Foreign currency translation reserve	Total
\$					
Balance as at 01 April 2023	100	1	2	-	3
Net loss	-	-	(10,28,948)	-	(10,28,948)
Capital contribution received from Intermediate Holding Company	-	-	53,97,059	-	53,97,059
Stock based compensation expenses of Holding Company	-	-	1,41,268	-	1,41,268
Balance as at 31 March 2024	100	1	(10,28,947)	55,38,327	45,09,381
Balance as at 1 April 2024	100	1	(10,28,947)	55,38,327	45,09,381
Net loss	-	-	(19,68,160)	-	(19,68,160)
Capital contribution received from Intermediate Holding Company	-	-	-	-	-
Stock based compensation expenses of Holding Company	-	-	91,836	-	91,836
Balance as at 31 March 2025	100	1	(29,97,107)	56,30,163	26,33,057

(in INR millions)					
Common stock (number of stock)	Common stock	Accumulated deficit	Capital contribution	Foreign currency translation reserve	Total
INR in millions					
Balance as at 01 April 2023	100.00	0.00	0.00	-	-
Net loss	-	-	(85.18)	-	(79.40)
Capital contribution received from Intermediate Holding Company	-	-	443.53	-	443.53
Stock based compensation expenses of Holding Company	-	-	11.69	-	11.69
Balance as at 31 March 2024	100.00	0.00	(85.18)	455.22	375.82
Balance as at 01 April 2024	100.00	0.00	(85.18)	455.22	375.82
Net loss	-	-	(166.42)	-	(158.56)
Capital contribution received from Intermediate Holding Company	-	-	-	7.86	-
Stock based compensation expenses of Holding Company	-	-	7.77	-	7.77
Balance as at 31 March 2025	100.00	0.00	(251.60)	462.99	225.03

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

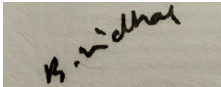
Place: Bengaluru
Date: 05 June 2025

For and behalf of the Board of Directors



Anant Choubey
Director

Place: Bengaluru
Date: 05 June 2025



Director


Place: Texas, United States
Date: 05 June 2025

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)
Translated Version of Statement of Cashflow for the years ended 31 March 2025 and 31 March 2024 (USD to INR in millions)

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
	\$		INR in millions	
Cash flows from operating activities				
Loss before tax	(19,68,160)	(10,28,948)	(166.42)	(85.18)
Adjustments to reconcile net loss to cash provided by:				
Depreciation and amortisation expenses	26,569	68,229	2.25	5.65
Stock based compensation expenses	91,836	1,41,268	7.85	11.77
Provision for expected credit loss	4,91,354	3,41,905	41.55	28.30
Operating cash flows before movements in working capital				
Changes in operating assets and liabilities				
Decrease/ (increase) in accounts receivable and other receivables	9,18,517	(33,15,995)	78.56	(276.38)
Decrease in prepaid expenses and other assets	2,88,593	10,12,577	24.76	84.39
(Increase)/ decrease in account payable and other payables	(5,24,979)	5,09,451	(44.76)	42.46
(Increase)/ decrease in contract liabilities and other current liabilities	(21,747)	1,73,345	(1.77)	14.45
Net cash used in operations	(6,98,017)	(20,98,169)	(57.98)	(174.54)
Cash Flows from investing activities				
Purchase of property, plant and equipment and intangible assets	-	(12,357)	-	(1.03)
Net cash used in investing activities	-	(12,357)	-	(1.03)
Cash Flows from Financing activities				
Capital contribution from Holding Company	-	18,70,000	-	155.51
Net cash generated from financing activities	-	18,70,000	-	155.51
Net decrease in cash and cash equivalents	(6,98,017)	(2,40,526)	(57.98)	(20.06)
Cash and cash equivalents at the beginning of the year	7,90,474	10,31,000	65.88	85.94
Cash and cash equivalents at the end of the year	92,457	7,90,474	7.90	65.88
Supplement disclosures of cash flow information				
Capital contribution from Holding Company on settlement of borrowings and other dues of the Company	-	35,27,059	-	293.97


The accompanying notes are an integral part of these financial statements

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

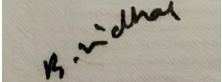

Dinesh Kumar Dange
Partner
Membership number: 501687

Place: Bengaluru
Date: 05 June 2025

For and behalf of the Board of Directors


Anant Choubey
Director

Place: Bengaluru
Date: 05 June 2025


B. Richard
Director

Place: Texas, United States
Date: 05 June 2025

Capillary Brierly Inc. (Formerly known as Brierley & Partners Inc.)
Notes forming part of translated version of financial statements

1. Nature of business organisation

Capillary Brierley INC. ('Capillary' or the 'Company') is an Incorporation registered in the State of Delaware. The Company is engaged in software development services and provides digital, loyalty and analytical services. The Company primarily operates in the United States of America and derives its revenues from customers in a variety of industries. Capillary Technologies LLC, United States of America ('Intermediate Holding Company') is the single member owner of the Company.

2 Summary of material accounting policies

a) Basis of presentation of financial statements

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 for the respective year. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

b) Statement of compliance

The audited financial statements have been prepared in compliance with accounting principles generally accepted in the United States of America ("USGAAP").

c) Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The significant estimates and assumptions that affect the financial statements include, but are not limited to assumptions used to calculate stock-based compensation expense, depreciation and amortization periods, recoverability of long-lived assets, intangibles and standalone selling price for each distinct performance obligation included in customer contracts with multiple performance obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

d) Revenue recognition

Revenue is primarily derived from retainership service and professional services. Revenues are recognized when delivery of these services are completed, in an amount that reflects the consideration that the Company expects to be entitled to in exchange of those services.

The Company determines revenue recognition through the following steps:

- ▶ Identifying the contract with a customer
- ▶ Identifying the underlying performance obligations
- ▶ Determining the transaction price
- ▶ Allocation of the transaction price to these performance obligations; and
- ▶ Recognition of revenue when, or as, performance obligation is satisfied.

The Company accounts for a customer contract when both parties have approved the contract and are committed to perform their respective obligations, each party's rights can be identified, payment terms can be identified, the contract has commercial substance, and it is probable the Company will collect substantially all of the

2 Summary of material accounting policies (continued)

d) Revenue recognition (continued)

consideration to which it is entitled. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised service to a customer. The contracts are generally non-cancellable except in the event of a material breach of the contract terms or on mutual agreement.

Nature of services and type of contracts:

The Company categorises its business into retainership services i.e. Loyalty platform related (Software-as-a Service) SaaS revenues and professional services.

Retainership services

Under Loyalty platform related SaaS revenues, the Company's SaaS arrangements which generally do not provide customers with the right to take possession of the software and are considered as subscription revenues. Access to this platform represents a series of distinct services as the Company continually provides access to and fulfil the obligation over the subscription term. Revenue is recognized over the period as and when services are rendered in accordance with the arrangement with the customers.

Professional services

Under Professional services, the Company derives revenue primarily from implementation services, data migration services and training, installation service. Professional services do not significantly modify or alter the nature of software or solution. These are majorly configuration, integration and data migration services which help customers use the product effectively and in an integrated manner with their other systems. Majority of the professional services revenues are from fixed fee arrangements. The obligation to provide professional services is generally satisfied over time, with the customer simultaneously receiving and consuming benefits as the Company satisfies its performance obligations. For Professional services, revenue is recognised by measuring progress towards the complete satisfaction of the Company's obligation. Progress for services that are contracted for a fixed price is generally measured based on hours incurred as a portion of the total estimated hours. Where the arrangement is on a time and material basis, revenues are recognised based on the contractually agreed upon rates and the time spent. Invoicing for professional services is generally based on achievement of milestones.

Revenue from arrangements involving subcontracting, either in part or whole of the assigned work are recognized after the Company's assessment of 'Principal vs. agent consideration'. The Company evaluates whether it is in control of the services before the same is being transferred to the customer to assess whether it is principal or agent in the arrangement.

Contracts with multiple performance obligations:

Some of the Company's contracts with customers contain multiple performance obligations. A performance obligation is considered distinct if it is (i) separately identifiable from each of the other promises; (ii) capable of being distinct and having a standalone value. A description of each of the performance obligations and identification criteria is explained in the nature of products and services section above.

When two or more contracts are entered into at or near the same time with the same customer, the Company evaluates the facts and circumstances associated with the negotiation of those contracts. Where the contracts are negotiated as a package, the Company will account for them as a single arrangement and allocates the consideration for the combined contracts among the performance obligations accordingly.

Unbilled receivables:

Unbilled receivables are contract assets related to provision of services for which the related billings will occur in a future period.

2 Summary of material accounting policies (continued)

d) Revenue recognition (continued)

Contract liability:

Contract liability is primarily related to billings or payments received in advance for services to be provided and the Company has a future performance obligation against such consideration. Contract liability is recognized as the performance obligations are satisfied

e) Account receivables

Accounts receivables are stated net of allowances for doubtful accounts. Allowances for doubtful accounts are established through the evaluation of the accounts receivable ageing and prior collection experience, current market conditions, client's financial condition and the amount of receivables in dispute to ascertain the ultimate collectability of these receivables.

f) Foreign currency transactions and translations

Functional currency for the Company is U.S Dollars. Transactions in foreign currencies are initially recorded in functional currency at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured into functional currency at the rates of exchange prevailing at the balance sheet date. All transactional foreign exchange gains and losses are recorded in the accompanying Statement of Income.

g) Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of highly liquid instruments, such as certificates of deposit, time deposits, and other money market instruments, which have original maturities of less than three months.

h) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization. Depreciation and amortization is provided under the straight line method based upon the estimated useful lives. Assets under capital lease and leasehold improvements are amortized lower of their estimated useful lives and the terms of the lease.

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed off, the cost of the asset and related accumulated depreciation and amortization are eliminated from the financial records. Any gains or loss on disposal is credited or charged to the Statement of Comprehensive Income.

i) Income taxes

The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the member. As such, no recognition of federal or state income taxes for the Company has been provided for in the accompanying financial statements. Any uncertain tax position taken by the member is not an uncertain position of the Company.

FASB ASC Topic 740, "Accounting for Income Taxes", on the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Recognized income tax positions are measured at the largest amount that has a greater than 50 percent likely hood of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company has determined that it has no uncertain tax positions that require recognition in the financial statements.

2 Summary of material accounting policies (continued)

j) Impairment of long-lived assets

The Company reviews long-lived assets, including the property and equipment and intangibles assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the asset may not be fully recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from use of the asset and its eventual disposition are less than the carrying amount. Impairment, if any, is assessed using discounted cash flows. Management has completed its impairment review for the year ended March 31, 2025 and believes that Company's long lived assets are not impaired.

k) Retirement plans

Defined contribution plans

Contributions to defined contribution plans are charged to Statements of Income in the year in which they accrue.

Eligible employees of the Company in the United States participate in a savings plan (the "Plan") under Section 401(k) of the United States Internal Revenue Code (the "Code"). The Plan allows employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Plan provides that the Company can make optional contributions up to the maximum allowable limit under the Code. The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees in the United States. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board and expense is recorded in the year to which such contributions pertain.

The Company has no further obligation under defined contribution plans beyond its monthly contribution. During the year ended March 31, 2025, the Company has contributed 618,317 (INR: 52.28 million) (March 31, 2024: \$ 893,588 (INR: 74.48 million)) to defined contribution plans.

l) Financial instruments and concentration of credit risk

Fair value of financial instruments

ASC 825-10 requires certain disclosures regarding the fair value of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities

Level 2– Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3– Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use unobservable inputs.

The Company considers the recorded value of its financial assets and liabilities, which consist primarily of cash and cash equivalents, receivables, accounts payable, accrued expenses, borrowings and contract liability to approximate the fair value of the respective assets and liabilities as at March 31, 2025 and March 31, 2024 and upon the short-term nature of the assets and liabilities.

2 Summary of material accounting policies (continued)

l) Fair value of financial instruments (continued)

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, time deposits and accounts receivable. By their nature, all such financial instruments involve risks including the credit risks of non-performance by counterparties. Pursuant to the Company's investment policy, its surplus funds are maintained as cash or cash equivalents and are placed with highly rated financial institutions to reduce its exposure to market risk with regard to these funds. Credit risk is affected by conditions or occurrences within the economy. To mitigate this risk, the Company evaluates the creditworthiness of its clients in conjunction with its revenue recognition processes as well as through its ongoing collectability assessment processes for accounts receivable. The Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Company's cash equivalents are invested with banks with high investment grade credit ratings.

Trade receivables (primarily denominated in US\$) are typically unsecured and are derived from revenues earned from large multinational customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. For the year ended 31 March 2025, the Company has 58% of revenue from 3 customers who accounted for more than 10% (31 March 2024: 45%) of total revenue individually. And receivable balances for the aforementioned customers accounted for 56% of the total receivables as at 31 March 2025 (31 March 2024: 67%).

m) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with such liabilities are expensed as incurred.

n) Subsequent events

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to issuance of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements.

o) Stock based compensation

Certain employees of the Company are granted options to purchase equity shares of the Holding Company. The expense related to these awards to Company employees has been pushed down from the Holding Company and reflected in these financial statements, with a corresponding contribution from Holding Company. Compensation expense related to these awards is measured based on the fair value of the award at the date of grant. The Company recognizes stock-based compensation over the award's requisite service period, which is generally the vesting period of the award, less actual forfeitures. No compensation expense is recognized for awards for which participants do not render the requisite services.

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)
Notes forming part of translated version of financial statements (continued)

3. Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	\$		INR in millions	
Cash at bank	92,457	7,90,474	7.90	65.88
	92,457	7,90,474	7.90	65.88

4. Accounts receivables

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	\$		INR in millions	
Accounts receivable comprise of the following:				
Accounts receivable	54,89,528	49,79,576	469.13	415.03
Unbilled receivables	10,33,033	11,69,352	88.28	97.46
	65,22,561	61,48,928	557.41	512.49
Less: Allowances for uncollectible accounts receivables	(10,28,060)	(5,36,706)	(87.86)	(44.73)
	54,94,501	56,12,222	469.55	467.76

5. Other receivables from related party

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	\$		INR in millions	
Amounts due from related parties	2,03,048	14,95,198	17.35	124.62
	2,03,048	14,95,198	17.35	124.62

6. Other assets

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	\$		INR in millions	
Current				
Prepaid expenses	2,65,872	5,51,348	22.72	45.95
Advance to Vendors	16,937	69,465	1.45	5.79
Deposits	14,500	14,440	1.24	1.20
Deferred Contract cost	71,647	-	6.12	-
	3,68,956	6,35,253	31.53	52.94
Non- Current				
Prepaid expenses	39,745	62,041	3.40	5.17
	39,745	62,041	3.40	5.17

7. Property and equipment, net

	Estimated useful life	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
		\$		INR in millions	
Computers	3 years	1,60,01,052	1,60,01,052	1,367.43	1,333.63
Less: Accumulated depreciation		(1,59,85,553)	(1,59,58,984)	(1,366.10)	(1,330.13)
		15,499	42,068	1.33	3.50

Depreciation expense is USD 26,659 (INR 2.25 millions) (31 March 2024, USD 68,229 (INR 5.65 millions)).

8. Revenue

A. Disaggregation of revenue

The Company disaggregates revenue from contracts with customers based on the business segment and contract type, as the management believes that it best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by the nature of service provided.

a) Revenue based on services

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
	\$		INR in millions	
Loyalty platform related SaaS revenues	1,39,24,409	1,73,26,290	1,177.44	1,434.26
Professional services	23,48,723	28,02,940	198.61	232.02
	1,62,73,132	2,01,29,230	1,376.05	1,666.28

b) Revenue based on contract type

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Over the period of time	1,62,73,132	2,01,29,230	1,376.05	1,666.28
	1,62,73,132	2,01,29,230	1,376.05	1,666.28

c) Balances of unbilled receivables and contract liabilities

	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Unbilled receivables	10,33,033	11,69,352	88.28	97.46
Contract liabilities	9,89,055	8,54,947	84.52	71.26

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)
Notes forming part of translated version of financial statements (continued)

9. Stock based compensation

Capillary Employees Stock Option Scheme' - 2021 ('CESP')

The employees of the Company are eligible to participate in Employee Stock Option Plan (ESOPs) of the Holding Company (Capillary Technologies India Limited, India) as per terms and conditions as specified in the plan.

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

The plan is administered by a Board of Directors of the Holding 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.

The following table summarizes the activity for stock options:

	As at 31 March 2025	As at 31 March 2024
Dividend yield (%)	-	-
Expected volatility (%)	61.90%	62.40%
Risk-free interest rate (% p.a.)	6.60%	7.12%
Expected life of option (years)	5.50	5.50

The weighted-average fair value of options granted during the year ended March 31, 2025 was \$ 5.96 (INR 0.00 millions) (March 31, 2024 was \$ 3.59 (INR 0.00 millions)). The Company recognized compensation expense related to stock options of approximately USD 91,836 (INR 7.77 millions) (31 March 2024, USD 141,268 (INR 11.69)).

The following table summarizes the activity for stock options:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of options	WAEP (\$)	Number of options	WAEP (\$)
Options outstanding at the beginning	58,847	2	-	-
Granted during the period	36,842	2	68,901	2
Forfeited / lapsed during the period	(10,992)	2	(10,054)	2
Exercised during the period	-	-	-	-
Re-purchase during the period	(6,702)	2	-	-
Options outstanding at the end	77,995	2	58,847	2

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of options	WAEP (INR)	Number of options	WAEP (INR)
Options outstanding at the beginning	58,847	166.69	-	-
Granted during the period	36,842	170.92	68,901	166.69
Forfeited / lapsed during the period	(10,992)	170.92	(10,054)	166.69
Exercised during the period	-	-	-	-
Buyback during the period	(6,702)	170.92	-	-
Options outstanding at the end	77,995	167.73	58,847	166.69

Capillary Brierley Inc. (Formerly known as Brierley & Partners Inc.)
Notes forming part of translated version of financial statements (continued)

10. Related Party Transactions

(a) List of related parties and relationships

<u>Name of the Party</u>	<u>Nature of Relationship</u>
Capillary Technologies International Pte. Ltd, Singapore	Ultimate Holding Company
Capillary Technologies India Limited, India	Holding Company
Capillary Pte. Ltd, Singapore	Intermediate Holding Company
Capillary Technologies LLC	Immediate Holding Company
Capillary Technologies, DMCC	Fellow subsidiary
Capillary Technologies Europe Limited	Fellow subsidiary
Capillary Technologies Inc.	Fellow subsidiary

(b) Related party transactions

	<u>For the year ended</u> <u>31 March 2025</u>	<u>For the year ended</u> <u>31 March 2024</u>	<u>For the year ended</u> <u>31 March 2025</u>	<u>For the year ended</u> <u>31 March 2024</u>
	<u>\$</u>		<u>INR in millions</u>	
1) Transactions during the period				
(a) Expenditure incurred by related parties on behalf of the Company				
Capillary Pte Ltd., Singapore	10,78,937	4,88,269	91.23	40.42
Capillary Technologies India Limited	90,494	48,431	7.65	4.01
Capillary Technologies LLC	2,14,574	-	18.14	-
Capillary Technologies, DMCC	35,364	-	2.99	-
Capillary Technologies Europe Limited	-	64,093	-	5.31
(b) Expenditure incurred by the Company on behalf of related parties				
Capillary Technologies Europe Limited	4,64,325	23,26,103	39.26	192.55
Capillary Technologies LLC	4,11,044	1,95,745	34.76	16.20
Capillary Technologies Inc.	2,01,058	91,091	17.00	7.54
Capillary Technologies India Limited	1,06,245	-	8.98	-
(c) Capital contribution from related parties				
Capillary Technologies India Limited	91,836	1,41,268	7.77	11.69
(d) Professional and consultancy services				
Capillary Technologies LLC	7,32,456	-	61.94	-
	<u>As at</u> <u>31 March 2025</u>	<u>As at</u> <u>31 March 2024</u>	<u>As at</u> <u>31 March 2025</u>	<u>As at</u> <u>31 March 2024</u>
	<u>\$</u>		<u>INR in millions</u>	
Outstanding balances as at year end				
(e) Other receivables from related party				
Capillary Technologies Europe Limited	4,423	14,04,107	0.38	117.03
Capillary Technologies Inc	1,58,933	91,091	13.58	7.59
Capillary Technologies India Limited	39,692	-	3.39	-
(f) Payables to related party				
Capillary Pte Ltd., Singapore	1,02,599	93,314	8.77	7.78
Capillary Technologies LLC	10,09,674	2,58,167	86.29	21.52
Capillary Technologies India Limited	-	39,401	-	3.28

11. Contingencies and commitments

Contingencies:

The Company is currently not involved in any significant lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arises in the ordinary course of business other than disclosed above. There are no such pending matters that are expected to have material effect on these financial statements.

Commitments:

The Company did not have capital commitments as at the balance sheet date. Other commitments are cancellable at the option of the company and hence not disclosed.

12. Subsequent events

In accordance with ASC 855 - Subsequent Events, the company evaluated subsequent events through April 30, 2025, the date these financial statements were made available for issuance. The company is not aware of any subsequent events that would require recognition or additional disclosure in these financial statements.

For Jain Jindal & Co.

Chartered Accountants

Firm registration number: 025817N



Partner

Membership number: 501687

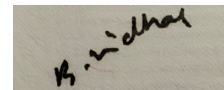
Place: Bengaluru
Date: 05 June 2025

For and behalf of the Board of Directors



Anant Choubey
Director

Place: Bengaluru
Date: 05 June 2025



Director

Place: Texas, United States
Date: 05 June 2025