

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 Technologies Europe Limited

3.09, B-Fora 1, Lyric Square Hammersmith
London, England W6 0NB

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 Technologies Europe Limited** (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 Technologies Europe Limited. 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: 25501687BMKNKW4226

Place: Bengaluru

Date: 05 June 2025

Capillary Technologies Europe Limited

Translated Version of Statement of Financial Position for the years ended 31 March 2025 and 31 March 2024 (£ 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	
Fixed assets					
Tangible assets	8	10,809	28,500	1.19	3.00
		<u>10,809</u>	<u>28,500</u>	<u>1.19</u>	<u>3.00</u>
Current assets					
Debtors	9	20,65,702	25,84,821	227.56	272.00
Cash at bank and in hand		<u>3,95,105</u>	<u>6,14,816</u>	<u>43.53</u>	<u>64.70</u>
		<u>24,60,807</u>	<u>31,99,637</u>	<u>271.09</u>	<u>336.69</u>
Creditors					
Amounts falling due within one year	10	<u>16,26,524</u>	<u>26,86,323</u>	<u>179.21</u>	<u>282.68</u>
Net current assets		<u>8,34,283</u>	<u>5,13,314</u>	<u>91.88</u>	<u>54.02</u>
Total assets less current liabilities		<u>8,45,092</u>	<u>5,41,814</u>	<u>93.07</u>	<u>57.01</u>
Capital and reserves					
Called up share capital	11	3,89,409	3,89,409	40.43	40.43
Capital contribution by parent Company	12	1,18,369	54,834	12.55	5.70
Retained earnings	12	3,37,314	97,571	33.49	7.64
Foreign currency translation reserve		-	-	6.60	3.24
Shareholders' fund		<u>8,45,092</u>	<u>5,41,814</u>	<u>93.07</u>	<u>57.01</u>

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

Capillary Technologies Europe Limited
Translated Version of Income Statement for the years ended 31 March 2025 and 31 March 2024 (£ 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	
Items of income:					
Turnover	3	85,04,185	65,27,809	917.23	679.12
Cost of sales		72,99,477	61,21,829	787.29	636.88
Gross profit		12,04,708	4,05,980	129.94	42.24
Administrative expenses		9,54,339	15,07,175	102.94	156.80
Operating Profit/ (loss)		2,50,369	(11,01,195)	27.00	(114.56)
Interest receivable and similar income	6	4,757	3,655	0.51	0.38
Profit/ (loss) before taxation	4	2,55,126	(10,97,540)	27.51	(114.18)
Tax on profit/ (loss)	5	15,383	-	1.66	-
Profit/ (loss) for the financial year		2,39,743	(10,97,540)	25.85	(114.18)
All activities of the company are from the continuing operations.					
Other comprehensive income					
Exchange difference on translation to presentation currency		-	-	3.36	3.24
Total comprehensive Income/(loss) for the year		2,39,743	(10,97,540)	29.21	(110.93)

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

Capillary Technologies Europe Limited

Translated Version of Statement of Trading and Profit and Loss Account for the year ended 31 March 2025 and 31 March 2024 (£ 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			
Sales	85,04,185		65,27,809		917.23		679.12	
Cost of sales								
Salaries, wages, and employer's costs	21,43,475		24,20,426		231.19		251.81	
Call Centre Cost	17,15,691		11,29,783		185.05		117.54	
Share based payment costs	63,535		54,834		6.85		5.70	
Software subscription	6,92,202		3,66,359		74.66		38.11	
Staff welfare and insurance	40,421		36,091		4.36		3.75	
Telecommunication expenses	3,71,365		1,03,938		40.05		10.81	
Technical infrastructure and application support	-		17,75,458		-		184.71	
Inter Company management recharge	14,18,744		-		153.02		-	
Payment gateway charges	-		49,845		-		5.19	
Tech & Server Cost	4,09,529		-		44.17		-	
Data storage (server) charges	4,44,515		1,85,095		47.94		19.26	
Gross profit	12,04,708		4,05,980		129.94		42.24	
Interest receivable and similar income								
Interest income from banks	4,757		3,655		0.51		0.38	
	12,09,465		4,09,635		130.45		42.62	
Administrative expenditure								
Office related expenses								
Rental Equipment	-		7,329		-		0.76	
Rent office	85,716		17,849		9.25		1.86	
General office expenses	8,333		7,574		0.90		0.79	
Telephone charges	1,980		1,612		0.21		0.17	
	96,029		34,364		10.36		3.58	
Employee related administrative expenses								
Recruitment and training services	7,423		20,044		0.80		2.09	
Travelling expenses	74,911		39,847		8.08		4.15	
	82,334		59,891		8.88		6.23	
Professional expenses								
Auditors' remuneration	10,000		10,000		1.08		1.04	
Professional fees	1,34,056		31,057		14.46		3.23	
Legal fees	42,658		-		4.60		-	
Advisory and consultancy fees	1,81,159		45,724		19.54		4.76	
Business promotion, sales and marketing	2,50,720		1,95,322		27.04		20.32	
Transition support services	-		1,57,900		-		16.43	
	6,18,593		4,40,003		66.72		45.78	
Other administrative expenses								
HMRC penalties	2,545		820		0.27		0.09	
Bank charges	2,715		1,790		0.29		0.19	
Depreciation on tangible assets	17,504		29,526		1.89		3.07	
Foreign exchange loss	1,29,016		52,034		13.92		5.41	
	1,51,780		84,170		16.37		8.76	
Other expenses								
Write off of amount owed from group undertakings	-		8,77,300		-		91.27	
Sundry expenses	1,552		-		0.17		-	
Loss on disposal on tangible assets	2,786		11,447		0.30		1.19	
	4,338		8,88,747		0.47		92.46	
Provision for doubtful debts								
Provision for bad debts	1,265		-		0.14		-	
	1,265		-		0.14		-	
Total expenses	9,54,339		15,07,175		102.94		156.80	
Net Profit/(loss) before taxation	2,55,126		(10,97,540)		27.51		(114.18)	

Capillary Technologies Europe Limited
Translated Version of Statement of Changes in Equity for the years ended 31 March 2025 and 31 March 2024 (£ to INR in millions)

	(in £)				
	Called up share capital	Retained earnings	Capital contribution from parent Company	Foreign currency translation reserve	Total
	£				
Balance as at 1 April 2023	1,000	11,95,111	-	-	11,96,111
Changes in equity					
Issue of share capital	3,88,409	-	-	-	3,88,409
share based payments (refer note 14)	-	-	54,834	-	54,834
Total comprehensive income for the year	-	(10,97,540)	-	-	(10,97,540)
Balance as at 31 March 2024	3,89,409	97,571	54,834	-	5,41,814
Balance as at 1 April 2025	3,89,409	97,571	54,834	-	5,41,814
Issue of share capital	-	-	-	-	-
share based payments (refer note 14)	-	-	-	-	-
Total comprehensive income for the year	-	2,39,743	63,535	-	3,03,278
Balance as at 31 March 2025	3,89,409	3,37,314	1,18,369	-	8,45,092

	(in INR millions)				
	Called up share capital	Retained earnings	Capital contribution from parent Company	Foreign currency translation reserve	Total
	INR in millions				
Balance as at 1 April 2023	0.11	121.82	-	-	121.92
Changes in equity					
Issue of share capital	40.32	-	-	-	40.32
share based payments (refer note 14)	-	-	5.70	-	5.70
Total comprehensive income for the year	-	(114.18)	-	3.24	(110.93)
Balance as at 31 March 2024	40.43	7.64	5.70	3.24	57.01
Balance as at 1 April 2025	40.43	7.64	5.70	3.24	57.01
Issue of share capital	-	-	-	-	-
share based payments (refer note 14)	-	-	6.85	-	6.85
Total comprehensive income for the year	-	25.85	-	3.36	29.21
Balance as at 31 March 2025	40.43	33.49	12.55	6.60	93.07

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

Capillary Technologies Europe Limited
Notes forming part of translated version of financial statements

1. Statutory Information

Capillary Technologies Europe is a private company, limited by shares, registered in England and Wales. The company's registered number is 03297240 (England and Wales) and registered office address is Office 3.09.B- Fora 1 Lyric Square, Lyric Square Hammersmith, London, England W6 0NB.

The principal activities of the Company are those of providing cloud based intelligent customer engagement software solutions to retail chain operators.

2. Material accounting policies

The following principal accounting policies have been applied:

Basis of preparing the 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.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Going concern

The director has formed the opinion that sufficient facilities are available and will remain so for the 12 months from the date of signing this report and that the company is able to generate positive cash flows. Further Capillary Pte. Ltd., the immediate parent company, have confirmed that they will continue to give support to the company for at least 12 months from the date these financial statements were authorised for issue. On this basis, the director considers that it is appropriate to prepare the financial statements on a going concern basis.

Cash flow exemption

The company, being a small company, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Related Party Disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Capillary Technologies Europe Limited
Notes forming part of translated version of financial statements

2. Material accounting policies (continued)

Revenue

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.

Rendering of services

Retainer services/ License services (recurring revenue) -The Company is engaged in the business of providing cloud based intelligent customer engagement software solutions to customers. Revenue is recognized over the period as and when services are rendered in accordance with the arrangement with the customers, i.e., from the time the ready-to-use software is subscribed to by the customers.

Campaign services (consumables) - The Company provides campaign services and recognises revenue from such campaigns based on the usage of messaging services.

Installation services (Set-up) - The Company provides one-time installation services, which are distinct from the license services being provided to the customers and 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 efforts 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.

Company generally recognizes revenue from subscriptions for the products and solutions over the term of the subscription and generally recognize revenue from customers over a term of 12 to 36 months. As a result, most of the revenue company report in each quarter is the result of continued and new contracts during previous quarters.

If the Company provides the services to a customer before the customer pays agreed consideration or before payment is due, a contract asset, i.e., unbilled revenue is recognised for the earned consideration that is conditional. Such contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Similarly, if a payment is received or a payment is due (whichever is earlier) from a customer before the Company performs the services. Contract liabilities. Unearned income is recognised by the Company.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the written down value method.

Depreciation is provided on the following basis:

Computer Equipment	3 years
Office equipment	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Capillary Technologies Europe Limited
Notes forming part of translated version of financial statements

2. Material accounting policies (continued)

Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or. (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Capillary Technologies Europe Limited

Notes to the translated financial statements

2. Material accounting policies (continued)

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less

Share capital

Ordinary shares are classified as equity.

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 income statement, with a corresponding increase in the share-based payment 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 income statement 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.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Provisions

Provisions are recognized when the company has an obligation at the balance sheet date because of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the income statement in the same period as the related expenditure.

Capillary Technologies Europe Limited

Notes to the translated financial statements

2. Material accounting policies (continued)

Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Foreign currency translation functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'administrative expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Operating leases: the company as lessee

Rentals paid under operating leases are charged income statement on a straight-line basis over the lease term.

Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Significant accounting judgments and estimates

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 Black Scholes model. The determination of the fair value of share-based payment awards using the Black Scholes 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. For details refer note 14.

Capillary Technologies Europe Limited
Notes forming part of translated version of financial statements

3. Turnover

The turnover and loss before taxation are attributable to the principal activity of the company.

Turnover analysed by Geographical Market

	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	
United Kingdom	72,13,069	65,27,809	777.98	679.12
Rest of the world	12,91,116	-	139.26	-
	85,04,185	65,27,809	917.23	679.12

4. Operating Profit/ (loss)

The operating loss is stated after charging:

	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	
Audit fee	10,000	10,000	1.08	1.04
Share based payment costs	63,535	54,834	6.85	5.70
Write off of amount owed from group undertakings	-	8,77,300	-	91.27
Loss on disposal of tangible assets	2,786	11,447	0.30	1.19
Foreign exchange loss/(gains)	1,29,016	52,034	13.92	5.41
Depreciation on tangible assets	17,504	29,526	1.89	3.07

5. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	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	
Current tax:				
UK corporation tax	15,383	-	1.66	-
Total current tax	15,383	-	1.66	-

Factors affecting the tax charges

Profit/(loss) on ordinary activities before tax	2,55,126	(10,97,540)	27.51	(114.18)
Loss on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 25% (2024: 25%)	63,782	(2,74,385)	6.88	(28.55)
Effects of:				
Expenses not deductible for tax purposes	1,013	2,22,392	0.11	23.14
Depreciation in excess of capital allowances	4,375	873	0.47	0.09
Carry forward of losses	-	51,120	-	5.32
Brought forward of losses	(51,120)	-	(5.32)	-
Marginal relief	(2,667)	-	(0.45)	-
Current tax charge	15,383	-	1.69	-

6. Interest receivable and similar income

	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	
Interest income from bank	4,757	3,655	0.51	0.38
	4,757	3,655	0.51	0.38

7. Employees and directors

The average monthly number of employees, including directors, during the year was 14 (2024: 18)

Their aggregate costs comprised:

	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	
Wages, salaries and Bonus	18,17,763	20,63,687	196.06	214.70
Pension costs	1,29,831	1,50,083	14.00	15.61
Social security costs	1,95,881	2,06,656	21.13	21.50
	21,43,475	24,20,426	231.19	251.81

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension liabilities represent contributions payable by the Company to the fund amounted to GBP 12,719 (INR 1.40 millions) (2024: GBP 25,670 (INR 2.70 millions)) at year end.

There is no remuneration paid to directors during the current year (2024: Nil).

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8. Tangible fixed assets

	Office equipments	Computer equipment	Total	Office equipments	Computer equipment	Total
At cost:	£			INR in millions		
At 1 April 2023	-	4,938	4,938	-	0.52	0.52
Additions	7,025	60,802	67,827	0.74	6.40	7.14
Disposal	(3,173)	(19,367)	(22,540)	(0.33)	(2.04)	(2.37)
Translation	-	-	-	-	-	-
At 31 March 2024	3,852	46,373	50,225	0.41	4.88	5.29
Additions	-	-	-	-	-	-
Disposal	-	(187)	(187)	-	(0.02)	(0.02)
Translation	-	-	-	-	-	-
At 31 March 2025	3,852	46,186	50,038	0.41	4.86	5.26
Depreciation						
At 1 April 2023	-	3,292	3,292	-	0.39	0.39
Charge for the year	2,318	27,208	29,526	0.24	2.83	3.07
Eliminated on disposal	(1,938)	(9,155)	(11,093)	(0.20)	(0.98)	(1.18)
Translation	-	-	-	-	0.01	0.01
At 31 March 2024	380	21,345	21,725	0.04	2.25	2.29
Depreciation charge	1,547	15,957	17,504	0.17	1.72	1.89
Eliminated on disposal	-	-	-	-	-	-
Translation	-	-	-	-	(0.10)	(0.10)
At 31 March 2025	1,927	37,302	39,229	0.21	3.86	4.07
Net carrying amount:						
At 31 March 2025	1,925	8,884	10,809	0.20	1.00	1.19
At 31 March 2024	3,472	25,028	28,500	0.37	2.63	3.00
At 31 March 2023	-	1,646	1,646	-	0.13	0.13

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Capillary Technologies Europe Limited
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9. Debtors: Amounts falling due within one year

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	£		INR in millions	
Trade debtors	9,98,763	8,90,900	110.04	93.75
Provision for bad debts	(1,265)	-	(0.17)	-
Amounts owed by group undertakings	1,41,516	6,92,676	15.59	72.89
Other debtors	2,80,945	2,32,781	30.95	24.50
Prepayments	1,17,584	1,83,313	12.96	19.29
Accrued revenue	5,28,159	5,85,151	58.19	61.57
	20,65,702	25,84,821	227.56	272.00

10. Creditors: Amounts falling due within one year

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
	£		INR in millions	
Trade creditors	3,26,757	2,61,656	36.00	27.53
Amounts owed to group undertakings	1,39,195	11,48,812	15.34	120.89
Corporation Tax payable	15,383	-	1.69	-
Social security and other taxes	12,719	1,02,028	1.40	10.74
VAT payable	2,82,101	2,44,592	31.08	25.74
Other creditors	3,74,189	3,87,945	41.23	40.82
Accrued expenses	2,31,419	4,52,657	25.50	47.63
Deferred Revenue	2,44,761	88,633	26.97	9.33
	16,26,524	26,86,323	179.21	282.68

11. Called up share capital

Ordinary shares of £ 1 each

	Number	£	Number	INR
Allotted called up and fully paid At 1 April 2023	1,000	1,000	1,000	0.11
Issued during the year At 31 March 2024	3,88,409	3,88,409	3,88,409	40.32
	3,89,409	3,89,409	3,89,409	40.43
Issued during the year At 31 March 2025	-	-	-	-
	3,89,409	3,89,409	3,89,409	40.43

On 22 August 2023 shares which had an aggregate nominal value of £388,409 (INR 40.32 millions) were allotted for aggregate consideration of USD 500,000 equivalent to £ 388,409 (INR 40.32 millions).

12. Reserves

	Retained earnings	Capital contribution from parent Company	Total	Retained earnings	Capital contribution from parent Company	Total
	£			INR in millions		
At 1 April 2023	11,95,111	-	11,95,111	121.82	-	121.82
(Loss) for the year	(10,97,540)	-	(10,97,540)	(114.18)	-	(114.18)
Share based payments (refer note 14)	-	54,834	54,834	-	5.70	5.70
At 31 March 2024	97,571	54,834	1,52,405	7.64	5.70	13.34
Profit for the year	2,39,743	-	2,39,743	29.21	-	29.21
Share based payments (refer note 14)	-	63,535	63,535	-	6.85	6.85
At 31 March 2025	3,37,314	1,18,369	4,55,683	36.85	12.55	49.40

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13. Parent undertaking

With the effect from 1st April, 2023 the company’s ownership has been transferred from Brierley & Partners, Inc to Capillary Singapore Pte Ltd (Singapore).

Post the above transfer of ownership, the ultimate parent company is Capillary Technologies International Pte Ltd, incorporated in Singapore. The Company’s immediate parent company is Capillary Pte Ltd incorporated in Singapore and company’s intermediate parent company is Capillary Technologies India Limited incorporated in India. Capillary Technologies India Limited prepares consolidated accounts which are publicly available.

14. Share-based payments

During the year the Company had share-based payment arrangements as follows:

Type of arrangement	As at 31 March 2025		As at 31 March 2024	
	Employee Stock Option Scheme 2021 (ESOP 2021)		Employee Stock Option Scheme 2021 (ESOP 2021)	
	Grant I	Grant II	Grant I	Grant II
Date of grant	1 April 2024	1 July 2024	1 July 2023	1 January 2024
Number granted	16,674 Options	13,672 Options	10,992 Options	6,682 Options
Maximum term	5.5 years	5.5 years	5.5 years	5.5 years
Settlement type	Equity shares of parent Company		Equity shares of parent Company	

Vesting conditions:

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 thus the Options would vest on passage of time on a quarterly basis.

The number and weighted average exercise prices of share options during the year are as follows:

	As on and for the year ended 31 March 2025		As on and for the year ended 31 March 2024	
	No. of Shares	WAEP	No. of Shares	WAEP
Outstanding at beginning of the year	35,348	-	-	-
Granted during the year	30,346	-	35,348	-
Forfeited during the year	(21,855)	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Options outstanding at the end of the year	43,839	-	35,348	-
Exercisable at end of the year	-	-	-	-

The Black-Scholes option pricing model was used to value the equity-settled share-based payment as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The total expense recognised during the year in respect of share-based payments totalled £ 63,535 (INR 6.85 millions) (March 2024 - £ 54,834 (INR 5.70 millions). Liabilities arising from share-based payments transactions totalled £ 118,369 (INR 12.55 millions) (March 2024 - £ 54,834 (INR 5.70 millions).

15. Previous year figures

The previous year figures have been regrouped/reclassified/rearranged wherever considered necessary to facilitate comparison with current year figures.

The reclassification involves a sum of GBP 585,151 (INR 61.57 million) previously classified “Debtors: Amount falling due within one year”, representing Prepayments and Accrued revenue, now representing Accrued Income.

16. Events after the end of the reporting period

Subsequent events have been evaluated till the date on which is the financial statements were issued. There are no subsequent events which have impact on the financial statements.