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 Technologies DMCC
Unit no RET-R6-149, Detached Retail R6
Plot no. JLT-PH2-RET-R6, Jumeirah Lakes Towers
Dubai, UAE

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 DMCC** (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 Technologies DMCC. 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)

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

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: 25501687BMKNKV3807

Place: Bengaluru
Date: 05 June 2025

Capillary Technologies DMCC
Translated Version of Statement of Financial Position for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 (AED 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
		AED			INR in millions		
ASSETS							
Non-current assets							
Property, plant and equipment	4	5,295	14,683	15,674	0.13	0.34	0.36
Right-of-use assets	4	6,771	88,078	1,69,389	0.15	1.99	3.83
Other receivables	5	22,461	1,60,697	1,61,830	0.52	3.65	3.62
		34,527	**2,63,458**	**3,46,893**	**0.80**	**5.98**	**7.80**
Current assets							
Accounts and other receivables	5	43,84,914	38,92,678	33,65,234	102.04	88.34	75.24
Dues from related parties	6	7,95,724	6,09,008	8,54,833	18.52	13.82	19.11
Prepayments	7	2,08,936	2,29,383	1,66,699	4.86	5.21	3.73
Cash and cash equivalents	8	3,24,753	10,75,721	7,89,174	7.56	24.41	17.65
		57,14,327	**58,06,790**	**51,75,940**	**132.97**	**131.78**	**115.73**
Total assets		**57,48,854**	**60,70,248**	**55,22,833**	**133.77**	**137.76**	**123.53**
EQUITY AND LIABILITIES							
Equity							
Share capital	9	18,86,000	50,000	50,000	41.16	1.01	1.01
Capital Contribution	9	-	18,36,000	-	-	40.15	-
Other reserves		20,86,924	17,51,501	16,43,589	46.90	39.18	36.75
Accumulated losses		(76,76,073)	(80,79,401)	(85,48,936)	(190.67)	(199.96)	(210.54)
Foreign currency translation reserve		-	-	-	16.45	18.83	19.55
Total equity deficit		**(37,03,149)**	**(44,41,900)**	**(68,55,347)**	**(86.16)**	**(100.79)**	**(153.23)**
Liabilities							
Non-Current							
Employees' end-of-service benefits	11	5,65,456	5,12,605	4,77,689	13.15	11.63	10.68
Lease liabilities	18	-	-	94,052	-	-	2.10
		5,65,456	**5,12,605**	**5,71,741**	**13.15**	**11.63**	**12.78**
Current							
Due to related parties	10	49,38,353	43,72,177	42,65,637	114.91	99.23	95.37
Accounts & other payables	12	39,40,194	55,25,666	74,59,305	91.69	125.40	166.78
Lease liabilities	18	8,000	1,01,700	81,497	0.19	2.30	1.82
		88,86,547	**99,99,543**	**1,18,06,439**	**206.79**	**226.93**	**263.98**
Total liabilities		**94,52,003**	**1,05,12,148**	**1,23,78,180**	**219.93**	**238.56**	**276.76**
Total Equity And Liabilities		**57,48,854**	**60,70,248**	**55,22,833**	**133.77**	**137.76**	**123.53**

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

siddhant.jain

Siddhant Jain
Director

Place: Dubai
Date: 05 June 2025

Capillary Technologies DMCC
Translated Version of Statement of Comprehensive Income for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 (AED 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
		AED			INR in millions		
Revenue	13	1,35,20,437	1,38,64,696	1,98,89,444	311.31	312.51	434.90
Other income	14	-	3,35,023	2,27,87,848	-	7.55	498.28
Expenses	15	(1,31,14,678)	(1,37,30,184)	(1,95,04,451)	(301.96)	(309.48)	(426.48)
Profit before tax		**4,05,759**	**4,69,535**	**2,31,72,841**	**9.34**	**10.58**	**506.69**
Current tax	21	2,431	-	-	0.06	-	-
Deferred tax		-	-	-	-	-	-
		2,431	**-**	**-**	**0.06**	**-**	**-**
Net profit for the year		**4,03,328**	**4,69,535**	**2,31,72,841**	**9.29**	**10.58**	**506.69**
Other comprehensive income							
Item that may not be reclassified subsequently to profit and loss							
Exchange difference on translation to presentation currecy		-	-	-	(2.38)	(0.72)	19.55
Total comprehensive income for the year		**4,03,328**	**4,69,535**	**2,31,72,841**	**6.91**	**9.86**	**526.24**

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

siddhant.jain

Siddhant Jain
Director

Place: Dubai
Date: 05 June 2025

Capillary Technologies DMCC
Translated Version of Statement of Changes in Equity for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 (AED to INR in millions)

(in AED)

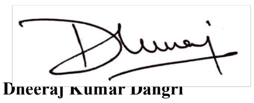
	Share capital	Capital Contribution	Accumulated losses	Other reserve	Foreign currency translation reserve	Total
			AED			
Balance as at 01 April 2022	50,000	-	(3,17,21,777)	11,72,217	-	(3,04,99,560)
Share based payment expense (note 19)	-	-	-	4,71,372		4,71,372
Net profit for the year	-	-	2,31,72,841	-	-	2,31,72,841
Balance as at 31 March 2023	**50,000**	**-**	**(85,48,936)**	**16,43,589**	**-**	**(68,55,347)**
Balance as at 01 April 2023	**50,000**	**-**	**(85,48,936)**	**16,43,589**	**-**	**(68,55,347)**
Share based payment expense (note 19)	-	-		1,07,912		1,07,912
Additional capital contributed (note 9)	-	18,36,000	-	-	-	18,36,000
(loss) for the financial year	-	-	4,69,535	-	-	4,69,535
Balance as at 31 March 2024	**50,000**	**18,36,000**	**(80,79,401)**	**17,51,501**	**-**	**(44,41,900)**
Balance as at 1 April 2024	**50,000**	**18,36,000**	**(80,79,401)**	**17,51,501**	**-**	**(44,41,900)**
Share based payment expense (note 19)	**-**	**-**	**-**	**3,35,423**	**-**	3,35,423
Additional capital contributed (note 9)	18,36,000	**-**	**-**	**-**	**-**	18,36,000
Amount moved to share capital (note 9)	**-**	**(18,36,000)**	**-**	**-**		(18,36,000)
(loss) for the financial year	**-**	**-**	**4,03,328**	**-**	**-**	4,03,328
Balance as at 31 March 2025	**18,86,000**	**-**	**(76,76,073)**	**20,86,924**	**-**	**(37,03,149)**

(in INR millions)

	Share capital	Capital Contribution	Accumulated losses	Other reserve	Foreign currency translation reserve	Total
			INR in millions			
Balance as at 01 April 2022	1.01	-	(717.23)	26.44	-	(689.78)
Share based payment expense (note 19)	-	-		10.31	-	10.31
Net profit for the year	-	-	506.69		19.55	506.69
Balance as at 31 March 2023	**1.01**	**-**	**(210.54)**	**36.75**	**19.55**	**(172.78)**
Balance as at 01 April 2023	1.01	-	(210.54)	36.75	19.55	(172.78)
Share based payment expense (note 19)	-	-	-	2.43	-	2.43
Additional capital contributed (note 9)	-	40.15	-	-	-	40.15
Net profit for the year	-	-	10.58	-	(0.72)	10.58
Balance as at 31 March 2024	**1.01**	**40.15**	**(199.96)**	**39.18**	**18.83**	**(120.00)**
Balance as at 1 April 2024	**1.01**	**40.15**	**(199.96)**	**39.18**	**18.83**	(120.00)
Share based payment expense (note 19)	**-**	**-**	**-**	7.72	**-**	**7.72**
Additional capital contributed (note 9)	40.15	**-**	**-**	**-**	**-**	**40.15**
Amount moved to share capital (note 9)	**-**	(40.15)	**-**	**-**	**-**	**(40.15)**
(loss) for the financial year	**-**	**-**	9.29	**-**	(2.38)	**6.91**
Balance as at 31 March 2025	**41.16**	**-**	**(190.67)**	**46.90**	**16.45**	**(105.37)**

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

siddhant.jain

Siddhant Jain
Director

Place: Dubai
Date: 05 June 2025

Capillary Technologies DMCC
Translated Version of Statement of Cashflow for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 (AED 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
	AED			INR in millions		
Operating activities						
Net profit for the year	**4,03,328**	**4,69,535**	**2,31,72,841**	9.29	10.58	506.69
Adjustments for:						
Interest on lease liabilities (note 18)	2,300	6,246	8,696	0.05	0.14	0.19
Provision for expected credit loss (note 15)	1,48,395	-	3,99,088	3.42	-	8.73
Share based payment expense (refer note 19)	3,35,423	1,07,912	4,71,372	7.72	2.43	10.31
Provision for employees' end-of-service benefits (refer note 15)	52,851	34,916	1,19,505	1.22	0.79	2.61
Extinguishment of other liabilities (note 14)	-	(79,616)	(2,11,945)	-	(1.79)	(4.63)
Extinguishment of amounts due to a related party (note 14)	-	-	(2,25,75,903)	-	-	(493.64)
Loss on write-off of assets	6,622	-	-	0.15	-	-
Depreciation on property & equipment and right-of-use assets (note 15)	86,643	87,116	84,189	1.99	1.96	1.84
Operating cash flows before movements in working capital	**10,35,562**	**6,26,109**	**14,67,843**	**23.84**	**14.11**	**32.10**
Movements in Working Capital						
Accounts & other receivables	(5,02,395)	(5,26,308)	16,17,295	(16.36)	(12.63)	36.91
Prepayments	20,447	(62,684)	22,230	0.34	(0.98)	1.25
Due from related party	(1,86,716)	2,45,825	(6,83,055)	(4.70)	5.51	(14.58)
Due to related parties	5,66,176	1,06,540	(19,83,417)	15.94	3.85	(44.35)
Accounts and other payables	(15,85,472)	(18,54,026)	(24,84,698)	(33.72)	(41.38)	(55.55)
Cash generated from operations	**(6,52,398)**	**(14,64,544)**	**(20,43,802)**	**(14.65)**	**(31.51)**	**(44.23)**
Payment of employees' end of service benefits (note 11)	-	-	(52,423)	-	-	(1.17)
Net cash used in operating activities	**(6,52,398)**	**(14,64,544)**	**(20,96,225)**	**(14.65)**	**(31.51)**	**(45.40)**
Net cash used in operating activities (A)	**(6,52,398)**	**(14,64,544)**	**(20,96,225)**	**(14.65)**	**(31.51)**	**(45.40)**
Investing activities						
Purchase of property & equipment (note 4)	(2,570)	(4,814)	(2,110)	(0.06)	(0.11)	(0.05)
Proceeds from sale of property & equipment	-	-	-	0.01	-	-
Net cash used in investing activities	**(2,570)**	**(4,814)**	**(2,110)**	**(0.05)**	**(0.11)**	**(0.05)**
Financing activities						
Repayment of lease liabilities (note 18)	(96,000)	(80,095)	(77,067)	(2.17)	(1.76)	(1.72)
Additional capital contributed (note 9)	-	18,36,000	-	-	40.15	-
Net cash from/(used in) financing activities	**(96,000)**	**17,55,905**	**(77,067)**	**(2.17)**	**38.38**	**(1.72)**
Net increase/(decrease) in cash and cash equivalents	(7,50,968)	2,86,547	(21,75,402)	(16.87)	6.77	(47.18)
Cash and cash equivalents at the beginning of period	10,75,721	7,89,174	29,64,576	24.41	17.65	64.82
Cash and cash equivalents at the end of period (Note 8)	**3,24,753**	**10,75,721**	**7,89,174**	**7.55**	**24.41**	**17.65**
Non cash transaction:						
Amount moved to share capital	18,36,000	-	-	40.15	-	-

The accompanying notes are an integral part of these financial statements

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

D[illegible]
Partner
Membership number: 501687

Place: Bengaluru
Date: 05 June 2025

For and behalf of the Board of Directors

siddhant.jain

Siddhant Jain
Director

Place: Dubai
Date: 05 June 2025

Capillary Technologies DMCC
Notes forming part of translated version of financial statements

1. Legal status and nature of operations.

a) Capillary Technologies DMCC ("the Company") is a limited liability company incorporated in the Dubai Multi Commodities Centre under service license no. JLT-68482 issued on 02 May 2013. The Company is registered with Federal Tax Authority with TRN 100300127600003 with effect from 01 January 2018.

b) The Company is the wholly owned subsidiary of Capillary Pte. Ltd, an entity incorporated in Singapore.

c) The principal activity of the Company is to provide information technology consulting services & software house.

d) The pricing policies, terms of services and credit terms are as approved by the management. The group structure for the company is mentioned as below:

Holding Company- Capillary Pte. Ltd, Singapore
Intermediate Holding Company- Capillary Technologies India Limited, India
Ultimate Holding Company- Capillary Technologies International Pte. Ltd, Singapore

e) The financial statements are prepared in Arab Emirates Dirhams (AED).

2. Material accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

2.2 Basis of preparations

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.

As on the reporting date, the Company has accumulated losses of AED 7,676,073 (INR 190.67 million) and the total equity have declined to debit balance of AED 37,03,149 (INR 86.16 million), which is below the paid-up share capital. Further, current liabilities exceed total assets by AED 3,172,220 (INR 73.82 million). The Intermediate Holding Company has provided an undertaking to provide financial support to the Company for the foreseeable future to enable it to meet its obligations as and when they fall due. Hence the financial statements are prepared on going concern basis.

2.3 Adoption of new and amended standards & interpretation

Standards, interpretations, and amendments that are effective for the first time in 2025 (for entities with a 31 March 2025, year-end) are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

The standards, amendments and interpretations disclosed above do not have a significant impact on these financial statements and therefore the disclosures have not been made.

2. Material accounting policies (continued)

2.4 Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:
- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

2.5 Summary of material accounting policies

a) Overall considerations

The material accounting policies that have been used in the preparation of these translated financial statements are consistently applied by the Company throughout the year and are summarized below.

These translated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b) Foreign currency

These financial statements are presented in United Arab Emirates (AED) and the Company's functional currency is United States Dollars (USD). As the AED is effectively pegged to the USD, presentation in AED does not create any translation gain/losses.

Foreign currency transactions are converted into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in Statement of Comprehensive Income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

c) Leases

The Company as a lessee.

The Company considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use.

2. Summary of material accounting policies (continued)

c) Leases (continued)

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is premeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease payments not recognized as a liability.

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

d) Financial Instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described on the subsequent page.

2. Summary of material accounting policies (continued)

d) Financial Instruments (continued)

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified and measured at amortized cost if both of the following conditions are met:

- The asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, if any, on the principal amount outstanding.

If the financial asset does not pass either of the above conditions, or only one of the above conditions, it is measured at fair value through profit or loss ('FVTPL'). Even if both conditions are met, management may designate a financial asset at FVTPL if doing so reduces or eliminates a measurement or recognition inconsistency.

As at the reporting date, the Company's financial assets comprise account and other receivables, due from a related party and cash and cash equivalents. Discounting is omitted where the effect of discounting is immaterial. All income and expenses relating to financial assets measured at amortized cost are recognized in profit or loss and presented within 'finance costs - net' or 'other income – net', except for impairment of account receivables which is presented within 'administrative and general expenses'.

All income and expenses relating to financial assets measured at amortized cost are recognized in profit or loss and presented within 'finance costs - net' or 'other income – net', except for impairment of account receivables which is presented within 'administrative and general expenses'.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, account receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.
In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2') and;
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2. Summary of material accounting policies (continued)

e) Expected credit loss

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for account receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days due. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

f) Employee stock option scheme

The Company has the following share-based payment arrangements:

<u>Capillary Employees Stock Option Scheme' - 2021 ('CESP') of the Intermediate Holding Company</u>

At a meeting of the members of the Intermediate Holding Company held on 29 October 2021, the shareholders have approved the 'Capillary Employees Stock Option Scheme' - 2021 (CESP). The plan provides for the issue of 7,175,000 shares to permanent employees of the Intermediate Holding Company and its subsidiaries, whether in India or outside India.

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

All share-based related expenses are recognised as expenses in the Statement of Comprehensive Income with a corresponding credit to other reserve in equity.

g) Property and equipment

The cost of property and equipment is their purchase cost together with any incidental expenses of acquisition. Minor purchases of property, plant and equipment are depreciated fully in the year of purchase. The cost of property, plant and equipment is depreciated by diminishing balance method over their estimated useful lives as below:

Item	**Useful life**
Computer equipment	3 years
Furniture & fixture	10 years
Office equipment	5 years

Depreciation on addition is calculated on a pro-rata basis from the month of addition and on deletion up to and including the month of deletion of the asset.

2. Summary of material accounting policies (continued)

g) Property and equipment (continued)

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

h) Change in accounting estimate

During the previous year Company has changed depreciation method from straight line method to diminishing balance method and this change fall under IAS 8 accounting policies, change in accounting estimate and errors.

The effect of change in accounting estimate shall be recognized prospectively.

i) Accounts & other receivables

The Company makes use of a simplified approach in accounting for account and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

j) Contract assets

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

k) Accounts & other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

l) Provisions

Provisions are recognized when the Company has present obligation as a result of past events, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

Provisions for employee entitlements to end of service benefits, as a result of service rendered by employees is provided and same is recognized by the Company. Provisions for employee entitlements to leave salary as a result of service rendered by employees are provided and the same has been recognized by the Company.

m) Equity

Share capital represents the nominal value of shares that have been issued.

Other reserves include the corresponding effect of the share-based payment expense.

Accumulated losses include current and prior period profits.

2. Summary of material accounting policies (continued)

n) Impairment

The carrying amount of the Company's assets is reviewed at each date of statement of financial position or whenever there is any indication of impairment. If any such indication exists, the recoverable value of the assets is estimated. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable value. Impairment losses are recognized in the statement of comprehensive income whenever it arises.

o) Cash and cash equivalents

Cash and cash equivalents for the purpose of the statement of cash flows comprise cash on hand, bank current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

p) Foreign currency transactions

Transactions in foreign currencies are converted into UAE Dirham at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the date of statement of financial position. Resulting gain or loss is taken to the statement of comprehensive income.

q) Revenue

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

IFRS 15 'Revenue from Contracts with Customers' outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model, explained below, which will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue when (or as) the Company satisfies a performance obligation.
Revenue is recognized 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 recognized is the amount allocated to the satisfied performance obligation.

2. Summary of material accounting policies (continued)

q) Revenue (continued)

Income from services

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

i) Retainer services

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

ii) Campaign services

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

iii) Installation services

The Company provides a one-time installation service that are bundled together with the retainer services. The Company recognizes 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 recognizes revenue on the basis of the milestone achieved which correlates with hours expended relative to the total expected hours to complete the service.

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 statement of comprehensive income 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.

r) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

2. Summary of material accounting policies (continued)

r) Contingent liabilities and contingent assets (Continued)

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 assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

s) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date where the Company operates and generate taxable income, and any adjustment to tax payable in respect of previous periods. Deferred income taxes are calculated based on the balance sheet liability method.

Deferred tax
Deferred tax is recognized for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are recovered, based on the laws that have been enacted or substantively enacted by the reporting date where the Company operates and generate taxable income.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax liabilities are generally recognized in full, although IAS 12 ‘Income Taxes’ specifies limited exemptions.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. Critical judgments in applying accounting policies

In the application of the Company’s accounting policies, which are described in note 2, the managements are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Key sources of accounting uncertainty
The following are the key sources of estimation and uncertainty at the date of statement of financial position, that have significant risks of causing material adjustments to the carrying amounts of assets within the next financial year.

3. Critical judgments in applying accounting policies (continued)

- **Allowances for expected credit loss on accounts receivables:** Allowances for expected credit loss are determined using a combination of factors, including the overall quality and ageing of receivables and collateral requirements from customers in certain circumstances. Management makes allowance for expected credit loss based on its best estimates at the date of statement of financial position. Management believes that no allowance is required.

- **Useful life of property and equipment:** Property and equipment are depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear. Management has not considered any residual value as it is deemed immaterial.

- **Share based expenses:** 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 19.

- **Determining the lease term of contracts with renewal options:** The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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Capillary Technologies DMCC
Notes forming part of translated version of financial statements

4. Property, Plant And Equipment

	Office equipment & furniture & fit-	Right-of-use assets (office premise)	Office equipment & furniture & fit-	Right-of-use assets (office premise)
Gross value	**AED**		**INR in millions**	
As at 31 March 2022	5,08,916	-	11.38	-
Additions during the year	2,110	2,43,920	0.05	5.45
Translation	-	-	-	0.01
As at 31 March 2023	**5,11,026**	**2,43,920**	**11.43**	**5.46**
As at 1 April 2023	5,11,026	2,43,920	11.43	5.46
Additions during the year	4,814	-	0.11	-
Translation	-	-	-	-
As at 31 March 2024	**5,15,840**	**2,43,920**	**11.54**	**5.46**
As at 1 April 2024	5,15,840	2,43,920	11.54	5.46
Additions during the year	2,570	-	0.06	-
Disposals during the year	(4,78,963)	-	(11.15)	-
Translation	-	-	0.01	-
As at 31 March 2025	**39,447**	**2,43,920**	**0.46**	**5.46**
Accumulated depreciation:				
As at 31 March 2022	4,85,694	-	10.86	-
Depreciation during the year	9,658	74,531	0.21	1.63
Translation	-	-	-	-
As at 31 March 2023	**4,95,352**	**74,531**	**11.07**	**1.63**
As at 1 April 2023	4,95,352	74,531	11.07	1.63
Depreciation during the year	5,805	81,311	0.13	1.83
Translation	-	-	-	-
As at 31 March 2024	**5,01,157**	**1,55,842**	**11.20**	**3.46**
As at 1 April 2024	5,01,157	1,55,842	11.20	3.46
Depreciation during the year	5,336	81,307	0.12	1.87
Disposals during the year	(4,72,341)	-	(10.99)	-
Translation	-	-	-	(0.02)
As at 31 March 2025	**34,152**	**2,37,149**	**0.33**	**5.31**
Net book value:				
As at 31 March 2023	**15,674**	**1,69,389**	**0.36**	**3.83**
As at 31 March 2024	**14,683**	**88,078**	**0.34**	**1.99**
As at 31 March 2025	**5,295**	**6,771**	**0.13**	**0.15**

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Capillary Technologies DMCC
Notes forming part of translated version of financial statements

5. Accounts and other receivables

	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
		AED			INR in millions	
Financial assets						
Accounts receivables (gross)[$@]	38,53,772	33,80,598	30,55,702	89.68	76.72	68.32
Less: provision for expected credit loss[%]	(1,17,172)	(15,762)	(2,94,646)	(2.73)	(0.36)	(6.59)
Accounts receivables (net)	**37,36,600**	**33,64,836**	**27,61,056**	**86.95**	**76.36**	**61.73**
Deposit	9,775	13,404	25,110	0.23	0.30	0.56
Capitalised contract costs[*]	1,50,007	1,57,566	1,71,093	3.49	3.58	3.83
Non-financial assets						
Contract assets	4,57,827	3,21,018	3,40,029	10.65	7.29	7.60
Input tax recoverable	11,805	2,521	59,221	0.27	0.06	1.32
Advance for expenses	18,900	33,333	8,725	0.44	0.76	0.20
	43,84,914	**38,92,678**	**33,65,234**	**102.04**	**88.34**	**75.24**
Other receivables (non-current)						
Capitalised contract costs[*]	22,461	1,60,697	1,61,830	0.52	3.65	3.62
	22,461	**1,60,697**	**1,61,830**	**0.52**	**3.65**	**3.62**

[$] Geographical location of accounts receivables are as follows: -

	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
		AED			INR in millions	
Within UAE	33,23,870	10,37,701	18,12,927	77.35	23.55	40.53
Outside UAE	5,29,902	23,42,897	12,42,775	12.33	53.17	27.79
	38,53,772	**33,80,598**	**30,55,702**	**89.68**	**76.72**	**68.32**

[@] Aging of account receivables is as follows: -

0-90 days	35,94,169	25,16,859	27,61,056	83.64	57.12	61.73
91-180 days	1,02,841	56,601	-	2.39	1.28	-
Over 180 days	39,590	7,91,376	-	0.92	17.96	-
	37,36,600	**33,64,836**	**27,61,056**	**86.95**	**76.36**	**61.73**

[%] Provision for expected credit losses:

Balance at the beginning of the year	15,762	2,94,646	6,87,398	0.36	6.59	15.37
Charge during the year (note 15)	1,48,395	-	3,99,088	3.42	-	8.92
Written off	(46,985)	(2,78,884)	(7,91,840)	(1.04)	(6.23)	(17.70)
Balance at the end of the year	**1,17,172**	**15,762**	**2,94,646**	**2.73**	**0.36**	**6.59**

[%] Expected credit loss has been provided by individual assessment method based on management discretion.

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

Balance at the beginning of the year	3,18,263	3,32,923	4,22,204	7.22	7.44	9.44
Addition	64,618	2,71,460	3,44,524	1.56	6.21	7.70
Amortisation	(2,10,413)	(2,86,120)	(4,33,805)	(4.78)	(6.43)	(9.70)
Balance at the end of the year	**1,72,468**	**3,18,263**	**3,32,923**	**4.01**	**7.22**	**7.44**
Current portion	1,50,007	1,57,566	1,71,093	3.49	3.58	3.83
Non-current portion	22,461	1,60,697	1,61,830	0.52	3.65	3.62
	1,72,468	**3,18,263**	**3,32,923**	**4.01**	**7.22**	**7.44**

6. Dues from related parties[*#]

	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
		AED			INR in millions	
Capillary Technologies India Limited	55,136	3,64,461	1,82,506	1.28	8.27	4.08
Capillary Technologies International Pte. Ltd	-	64,944	47,535	-	1.47	1.06
PT Capillary Technologies Indonesia	5,99,329	61,259	32,211	13.95	1.39	0.72
Capillary Technologies Europe Ltd	8,447	-	-	0.20		
Capillary Technologies (Malaysia) Sdn Bhd	1,18,344	1,18,344	1,15,092	2.75	2.69	2.57
Capillary Technologies LLC	14,468	-	4,77,489	0.34	-	10.68
	7,95,724	**6,09,008**	**8,54,833**	**18.52**	**13.82**	**19.11**

**Refer note 16 for summary of significant related party transactions during the year.*

[#] This represents unsecured and non-interest-bearing account balances of the related parties of the Company

7. Prepayments

	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
	AED			INR in millions		
License fees	10,787	1,712	1,667	0.25	0.04	0.04
Insurance	1,93,397	1,34,620	1,43,818	4.50	3.06	3.22
Other	4,752	93,051	21,214	0.11	2.11	0.47
	2,08,936	**2,29,383**	**1,66,699**	**4.86**	**5.21**	**3.73**

8. Cash and cash equivalents

	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
	AED			INR in millions		
Bank balances in:						
Current account	3,24,753	10,75,721	7,89,174	7.56	24.41	17.65
	3,24,753	**10,75,721**	**7,89,174**	**7.56**	**24.41**	**17.65**

9. Share capital and 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
	AED			INR in millions		
9.1 Share capital						
1,886 shares of AED 1,000/- (2024: 50 shares of AED 1,000/- ; 2023: 50 shares of AED 1,000/-)	**18,86,000**	**50,000**	**50,000**	**43.89**	**1.13**	**1.12**
Shares held by the Holding Company						
Capillary Pte Ltd. (Holding Company)	18,86,000	50,000	50,000	43.89	1.13	1.12
% of holding in class	100%	100%	100%	100%	100%	100%

9.2 Capital contribution

During the financial year 2024, the Holding Company resolved to infuse additional capital to the Company, amounting to AED 1,836,000.

On September 12, 2024, pursuant to receipt of internal approvals, the Company placed a request with DMCC Authorities to convert the capital contribution of AED 1,836,000 to share capital of the Company.

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10. Dues to related parties

	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
	AED			INR in millions		
Considered as current liability						
Capillary Pte. Ltd (refer note 16)	49,38,353	43,72,177	41,82,317	114.91	99.23	93.51
Capillary Technologies LLC (refer note 16)	-	-	83,320	-	-	1.86
	49,38,353	**43,72,177**	**42,65,637**	**114.91**	**99.23**	**95.37**

11. Employees' end-of-service benefits*

	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
	AED			INR in millions		
Balance at the beginning of the year	5,12,605	4,77,689	4,10,607	11.93	10.84	9.24
Add: Charge during the year	52,851	34,916	1,19,505	1.22	0.79	2.61
Less: Paid during the year	-	-	(52,423)	-	-	(1.17)
Balance at the end of the year	**5,65,456**	**5,12,605**	**4,77,689**	**13.15**	**11.63**	**10.68**

**The above provision is made as per UAE Labor Law requirements.*

12. Accounts & 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
	AED			INR in millions		
Financial liabilities						
Accounts payables	12,10,487	19,73,165	19,63,509	28.17	44.78	43.90
Expenses payable	5,24,991	10,33,166	16,32,706	12.22	23.45	36.51
	17,35,478	**30,06,331**	**35,96,215**	**40.38**	**68.23**	**80.41**
Non-financial liabilities						
Unearned service income	22,04,716	25,19,335	38,63,090	51.30	57.18	86.37
	22,04,716	**25,19,335**	**38,63,090**	**51.30**	**57.18**	**86.37**
	39,40,194	**55,25,666**	**74,59,305**	**91.69**	**125.40**	**166.78**

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13. Revenue*

	For the year ended 31 March 2025 (AED)	For the year ended 31 March 2024 (AED)	For the year ended 31 March 2023 (AED)	For the year ended 31 March 2025 (INR in millions)	For the year ended 31 March 2024 (INR in millions)	For the year ended 31 March 2023 (INR in millions)
	1,35,20,437	**1,38,64,696**	**1,98,89,444**	**311.31**	**312.51**	**434.90**

*Product-wise geographical chart for revenue is as follow: -

	For the year ended 31 March 2025			For the year ended 31 March 2024			For the year ended 31 March 2023		
	AED			AED			AED		
	Within UAE	Outisde UAE	Total	Within UAE	Outisde UAE	Total	Within UAE	Outisde UAE	Total
Campaign	28,475	4,28,520	4,56,995	28,62,102	6,52,808	35,14,910	50,22,741	8,60,519	58,83,260
Setup	6,44,372	94,031	7,38,403	5,41,374	1,39,572	6,80,946	11,14,441	3,55,044	14,69,485
Retainer	90,80,683	32,44,356	1,23,25,039	74,92,404	21,76,436	96,68,840	74,86,743	50,49,956	1,25,36,699
	97,53,530	**37,66,907**	**1,35,20,437**	**1,08,95,880**	**29,68,816**	**1,38,64,696**	**1,36,23,925**	**62,65,519**	**1,98,89,444**

	For the year ended 31 March 2025			For the year ended 31 March 2024			For the year ended 31 March 2023		
	INR			INR			INR		
	Within UAE	Outisde UAE	Total	Within UAE	Outisde UAE	Total	Within UAE	Outisde UAE	Total
Campaign	0.66	9.87	10.52	64.51	14.71	79.23	109.83	18.82	128.64
Setup	14.84	2.17	17.00	12.20	3.15	15.35	24.37	7.76	32.13
Retainer	209.08	74.70	283.78	168.88	49.06	217.93	163.70	110.42	274.13
	224.57	**86.73**	**311.31**	**245.59**	**66.92**	**312.51**	**297.90**	**137.00**	**434.90**

14. Other income

	For the year ended 31 March 2025 (AED)	For the year ended 31 March 2024 (AED)	For the year ended 31 March 2023 (AED)	For the year ended 31 March 2025 (INR in millions)	For the year ended 31 March 2024 (INR in millions)	For the year ended 31 March 2023 (INR in millions)
Extinguishment of other liabilities	-	79,616	2,11,945	-	1.79	4.63
Extinguishment of amounts due to a related party (refer note 16)	-	-	2,25,75,903	-	-	493.64
Other	-	2,55,407	-	-	5.76	-
	-	**3,35,023**	**2,27,87,848**	**-**	**7.55**	**498.28**

15. Expenses

	For the year ended 31 March 2025 (AED)	For the year ended 31 March 2024 (AED)	For the year ended 31 March 2023 (AED)	For the year ended 31 March 2025 (INR in millions)	For the year ended 31 March 2024 (INR in millions)	For the year ended 31 March 2023 (INR in millions)
Tech support charges*	61,95,290	47,54,302	72,46,596	142.65	107.16	158.45
SMS purchase	-	27,73,956	45,09,681	-	62.52	98.61
Salaries & allowances	23,78,803	28,82,473	37,21,793	54.77	64.97	81.38
Server charges*	24,28,452	16,34,139	16,30,219	55.91	36.83	35.65
Managerial remuneration & allowances*	7,21,464	6,61,743	5,21,392	16.61	14.92	11.40
Share based expense (note 19)	3,35,423	1,07,912	4,71,372	7.72	2.43	10.31
Expected credit losses (note 5)	1,48,395	-	3,99,088	3.42	-	8.73
Sales & marketing	1,28,800	74,095	24,396	2.97	1.67	0.53
Depreciation on property and equipment and right-of-use assets (note 4)	86,643	87,116	84,189	1.99	1.96	1.84
Interest on lease liabilities	2,300	6,245	8,696	0.05	0.14	0.19
Loss on write-off of assets	6,622	-	-	0.15	-	-
Other	6,82,486	7,48,203	8,87,029	15.71	16.86	19.40
	1,31,14,678	**1,37,30,184**	**1,95,04,451**	**301.96**	**309.48**	**426.48**

*Refer note 16

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16. Related Party Transactions

The Company in the normal course of business enters into transactions with other business entities that fall within the definition of a related party as contained in the International Accounting Standard - 24. Related parties are the entities under common ownership and/or common management control and associates.

The significant related-party transactions during the year are:

		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
		AED			INR in millions		
Relation	**Nature of transactions**						
Holding Company	Tech support charges	59,44,921	47,54,302	72,46,596	136.88	107.16	158.45
Holding Company	Server charges	24,28,385	16,34,139	16,30,219	55.91	36.83	35.65
Common management entities	SMS purchase	12,25,699	9,50,017	2,04,825	28.22	21.41	4.48
Holding Company	SMS purchase	23,55,504	12,85,612	31,52,566	54.24	28.98	68.93
Common management entities	Other cross charge	9,68,709	-	-	22.30	-	-
Holding Company	Other cross charge	27,11,385	46,509	-	62.43	1.05	-
Holding Company	Extinguishment of liabilities*	-	-	2,25,75,903	-	-	493.64
Key managerial personnel	Employees' end of service benefits	-	-	47,905	-	-	1.05
Holding Company	Payment on behalf of Company	46,956	-	-	1.08	-	-
Common management	Payment on behalf of Company	1,68,721	-	-	3.88	-	-
Holding Company	Payment by Company on behalf of the Group	1,67,350	-	-	3.85	-	-
Key managerial personnel	Managerial remuneration & allowances	7,21,464	6,61,743	5,21,392	16.61	14.92	11.40

*This pertains to prior year's extinguishment of related party balances (arising from operating activities).

At the date of the statement of financial position, balances with related parties were as follows:

		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
		AED			INR in millions		
Relation	**Nature of transactions**						
Holding Company	Due from related parties	-	-	1,82,478	-	-	4.08
Common management	Due from related parties	7,95,724	6,09,008	6,72,218	18.52	13.82	15.03
Holding Company	Due to a related party	49,38,353	43,72,177	83,320	114.91	99.23	1.86
Common management	Due to a related party	-	-	41,82,317	-	-	93.51

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17. Financial Instruments risk:

Risk management objectives and policies
The Company's risk management is coordinated in close cooperation with management and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets. The Company is mainly exposed to credit and liquidity risk in relation to the financial instruments.

Credit risk
Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of bank balances and accounts and other receivables

Cash at bank
The Company's bank balances in current accounts are placed with high credit quality financial institutions.

Account and other receivables
The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all account receivables as these items do not have a significant financing component.
In measuring the expected credit losses, the accounts receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Due from related parties
Management of the Company is directly involved in the Company's operations and reviews and approves all transactions with related parties. The receivable balances are reconciled periodically with the related parties through intercompany reconciliations and confirmations.

There is no significant concentration of credit risk outside the industry in which the Company operates.

Interest rate risk
In absence of bank borrowings or any other variable interest bearing financial instruments, there is no interest rate risk at the reporting date.

Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company does not have major exposure to currency risks as a majority of its transactions are denominated in USD. The foreign exchange risk related to USD is minimal as the USD is pegged with AED.

Liquidity risk
The Company manages liquidity risk by maintaining adequate reserves and liquidity management requirements. The management of the Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities as follows:

The table on below analyses the Company's undiscounted financial liabilities into relevant maturity groupings based on the contractual maturity date.

	31 March 2025			31 March 2025		
	Within one year	More than 1 year	Total	Within one year	More than 1 year	Total
	AED			INR in millions		
Financial liabilities						
Accounts payables	12,10,487	-	12,10,487	28.17	-	28.17
Expenses payable	5,24,991	-	5,24,991	12.22	-	12.22
Due to related parties	49,38,353	-	49,38,353	114.91	-	114.91
Lease liabilities	10,300	-	10,300	0.24	-	0.24
Total	66,84,131	-	66,84,131	155.54	-	155.54

	31 March 2024			31 March 2024		
	Within one year	More than 1 year	Total	Within one year	More than 1 year	Total
	AED			INR in millions		
Financial liabilities						
Accounts payables	19,73,165	-	19,73,165	44.78	-	44.78
Expenses payable	10,33,166	-	10,33,166	23.45	-	23.45
Due to related parties	43,72,177	-	43,72,177	99.23	-	99.23
Lease liabilities	1,07,946	-	1,07,946	2.45	-	2.45
Total	**74,86,454**	**-**	**74,86,454**	**169.90**	**-**	**169.90**

	31 March 2023			31 March 2023		
	Within one year	More than 1 year	Total	Within one year	More than 1 year	Total
	AED			INR in millions		
Financial liabilities						
Accounts payables	19,63,509	-	19,63,509	43.90	-	43.90
Expenses payable	16,32,706	-	16,32,706	36.51	-	36.51
Due to related parties	42,65,637	-	42,65,637	95.37	-	95.37
Lease liabilities	80,095	1,04,000	1,84,095	1.76	2.33	4.09
Total	**79,41,947**	**5,81,689**	**80,45,947**	**177.54**	**13.01**	**190.55**

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18. Lease commitment

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

The carrying amounts of lease liabilities recognised and movement during the year are as follows:

	AED	INR
As at 1 April 2022		
Additions during the year	2,43,920	5.45
Accretion of interests	8,696	0.19
Payment of principal and interest	(77,067)	(1.72)
As at 31 March 2023	**1,75,549**	**3.92**
As at 1 April 2023	1,75,549	3.92
Accretion of interests	6,246	0.14
Payment of principal and interest	(80,095)	(1.76)
As at 31 March 2024	**1,01,700**	**2.30**
As at 1 April 2024	1,01,700	2.30
Accretion of interests	2,300	0.05
Payment of principal and interest	(96,000)	(2.17)
As at 31 March 2025	**8,000**	**0.18**

Lease liability maturities are as follows:

	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
	AED			INR in millions		
Gross lease liabilities						
Within 1 years	10,300	1,07,946	80,095	0.24	2.44	1.78
More than 1 years	-	-	1,04,000	-	-	2.33
Total	**10,300**	**1,07,946**	**1,84,095**	**0.24**	**2.44**	**4.11**
Less – imputed interest (effect of discounting)	(2,300)	(6,246)	(8,546)	(0.05)	(0.14)	(0.19)
Present value of lease liabilities	8,000	1,01,700	1,75,549	0.19	2.30	3.92
The same is shown under						
Non-current	-	-	94,052	-	-	2.10
Current	8,000	1,01,700	81,497	0.19	2.30	1.82

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19. Employee stock option scheme

During the year, the Intermediate Holding Company offered some of its employees the opportunity to participate in an employee stock option plan. 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.

Movement of options granted during the year is as below:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	Number of options		
Opening balance	58,427	48,686	44,851
Granted during the year	35,632	12,575	18,358
Forfieted/ lapsed during the year	-	(2,834)	(14,523)
Balance as at 31 March	**94,059**	**58,427**	**48,686**

The options outstanding as at 31 March 2025 had an exercise price of AED 0.01 (INR 0.23) and the weighted average remaining contractual life of 7.99 years for vested and unvested options.

The total amount expensed over the vesting period has been determined by reference to the fair value of the share option measured at their grant dates using a Black-Scholes Option Pricing model, with a corresponding increase to other reserve within equity (as computed and recharged by the Intermediate Holding Company). The share-based payment expense for the year amounted to AED 335,423 (INR 7.72 millions) (2024: AED 107,912 (INR 2.43 millions) ; 2023: AED 471,372 ; INR 10.30 millions).

The inputs used for Black-Scholes model are as follows:

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Weighted average share price	AED 22.63	AED 13.57	AED 13.78
	INR 521.05	INR 305.87	INR 301.31
Weighted average exercise price	AED 0.01	AED 0.01	AED 0.01
	INR 0.23	INR 0.23	INR 0.22
Expected volatility	61.90%	62.40%	62.40%
Risk-free rate	6.60%	6.44%-7.47%	6.44%-7.47%
Expected dividend yields	-	-	-

20. Contingent liabilities

There were no significant contingent liabilities outstanding at the date of statement of financial position.

21. Corporate tax

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or "the Law") to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime is effective from June 1, 2023 and accordingly, it has an income tax related impact on the financial statements for accounting period beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of certain free zone entities.

Tax expense recognised in statement of comprehensive income comprises current tax expense not recognised in other comprehensive income or directly in equity. The calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Furthermore, the income tax expense relates to Company's operations in the United Arab Emirates which is subject to an effective tax rate of 9%.

Income tax expense comprise 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
	AED			INR in millions		
Current tax expense	2,431	-	-	0.06	-	-

Movement in income tax payable is as follows:

	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
	AED			INR in millions		
Provided during the year	2,431	-	-	0.06	-	-
Closing balance	2,431	-	-	0.06	-	-

Reconciliation of effective tax rate is as follows:

	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
	AED			INR in millions		
Profit before tax	4,05,759	4,69,535	2,31,72,841	9.34	10.58	506.69
Add: disallowed expenses	-	-	-	-	-	-
	4,05,759	**4,69,535**	**2,31,72,841**	**9.34**	**10.58**	**506.69**
Basic exemption	3,75,000	4,69,535	2,31,72,841	8.63	10.58	506.69
	30,759	**-**	**-**	**0.71**	**-**	**-**
Tax using the domestic tax rate of 9%	2,431	-	-	0.06	-	-
	2,431	**-**	**-**	**0.06**	**-**	**-**

22. Events after the reporting period

As described in note 9.2, subsequent to the year ended 31 March 2024, on September 12, 2024, pursuant to receipt of internal approvals, the Company has placed a request with DMCC Authorities to convert the capital contribution of AED 1,836,000 (INR 40.15 millions) to share capital of the Company.