Date: August 01, 2026

To
BSE Limited
Listing Department
Phiroze JeeJeebhoy Towers, Dalal Street Fort, Mumbai -400001
Scrip Code: 544614

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza , Bandra Kurla Complex
Bandra (East), Mumbai -4000051
Symbol: CAPILLARY

Dear Sir/Madam,

Subject: Integrated Annual Report for the financial year ended March 31, 2026.

Pursuant to Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Integrated Annual Report of the Company including the Business Responsibility and Sustainability Report (BRSR) and the Notice of AGM for the financial year 2025-26, which is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent (RTA)/Depository Participants (DPs). Further, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to those Members whose e-mail addresses are not registered with the Company/RTA/DPs, providing the weblink from where the Integrated Annual Report for the financial year 2025-26 can be accessed on the Company's website.

The Integrated Annual Report containing the BRSR and Notice of AGM is also uploaded on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/07/Annual-Report-2025-26.pdf and on the website of NSDL at https://www.evoting.nsdl.com/.

We request you to take the above information on records.

Yours faithfully,

For Capillary Technologies India Limited

GIREDDY BHARGAVI REDDY
Digitally signed by GIREDDY BHARGAVI REDDY
Date: 2026.08.01 15:20:19 +05'30'

Gireddy Bhargavi Reddy
Company Secretary and Compliance Officer
Membership No. A17091
Place: Bengaluru

CAPILLARY TECHNOLOGIES INDIA LIMITED

CIN: L72200KA2012PLC063060

Registered Office: #360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bangalore-560102, Karnataka, India

Website: https://www.capillarytech.com/ **Email –** investorrelations@capillarytech.com

| Phone: +91 80 4122 5179 **|**

Dear Members,

Sub: Invitation to attend the Fourteenth (14th) Annual General Meeting ("AGM") of Capillary Technologies India Limited ("the Company") to be held on Friday, August 28, 2026.

You are cordially invited to attend the Fourteenth (14th) AGM of the Company scheduled to be held on Friday, August 28, 2026, at 11:30 a.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The notice convening the AGM is enclosed herewith. For ease of participation, key details regarding the meeting are as follows:

S. No.	Particulars	Details
1.	Link for participation in AGM through VC	https://www.evoting.nsdl.com/ Members may attend the AGM through VC by accessing the above link and by using the remote e-voting credentials. Please refer the instructions of this Notice for further information.
2.	Link for remote e-voting	https://www.evoting.nsdl.com/
3.	Cut-off date for e-voting	**Friday, August 21, 2026**
4.	Time period for e-voting	Starts on **Monday, August 24, 2026 at 09:00 A.M. (IST)** Ends on **Thursday, August 27, 2026 at 05:00 P.M. (IST)**
5.	Last date for publishing results of the e-voting	On or before Monday, August 31, 2026
6.	Contact details of Registrar and Share Transfer Agent (RTA)	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Contact No.: +91 810 811 8484 Email: Investor.helpdesk@in.mpms.mufg.com
7.	Helpline number for e-voting	National Securities Depository Limited (NSDL) Tel No. 022 - 48867000 Email: evoting@nsdl.com
8.	Helpline number for VC participation	For any assistance or support before or during the AGM, members may contact the Company at: Email: secretarial@capillarytech.com Tel No.: +91 80 41225179
9.	Scrutinizer Details	CS Biswajit Ghosh (Membership No. F8750) or in his absence CS Pramod S M (Membership No. F7834) Partners of M/s. BMP & Co. LLP, Practicing Company Secretaries Email: info@bmpandco.com
10.	Company Contact details	Email: secretarial@capillarytech.com Tel No.: +91 80 41225179

For Capillary Technologies India Limited

Sd/-
Gireddy Bhargavi Reddy
Company Secretary and Compliance Officer
Membership No. A17091

Date: August 1, 2026
Place: Bengaluru

Enclosed:
1. Notice of the 14th Annual General Meeting
2. Instructions to vote electronically using NSDL e-voting system
3. Instructions for participation in AGM through VC

Annual Report
2025-26

capillary

LOYALTY

Now Smarter With **AI**

Intelligence That Scales

**Providing seamless
customer experiences across enterprise brands**

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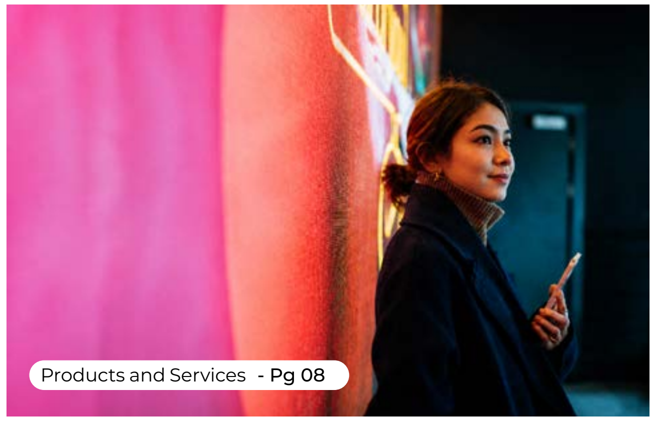
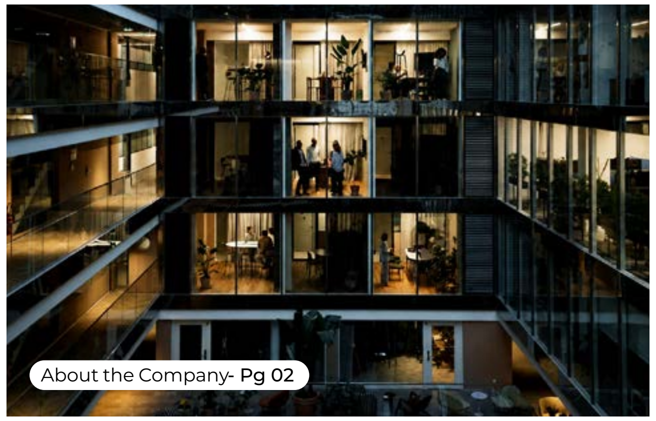


Products and Services - Pg 08



About the Company- Pg 02

Scan the QR code to know more about us

You can find this report online:
https://www.capillarytech.com/investors/

LOYALTY

Now Smarter With **AI**

Intelligence That Scales

In today's dynamic business landscape, loyalty has evolved beyond simple programs into a long-term customer retention strategy. Leading brands recognise that the most impactful loyalty initiatives transcend points and rewards, delivering meaningful experiences, personalised in real time and create lasting impressions that drive long-term value.

Capillary Technologies empowers enterprises worldwide to redefine loyalty. Our fully cloud-native platform leverages advanced AI to help brands build a unified, 360-degree view of every customer across channels, delivering contextually relevant offers and experiences, and designing adaptive programs that respond to evolving customer behaviour and preferences. By embedding loyalty into every interaction, we enable enterprises to continuously optimise retention and engagement, transforming customer engagement into measurable business outcomes.

At the core of our ecosystem, we collaborate with leading brands and loyalty innovators. Once data, architecture, and insights are aligned, AI acts as a multiplier, creating an 'invisible loyalty loop' that engages customers and drives sustainable innovation for brands.

Loyalty has now become smarter with AI. By combining intelligent automation, real-time data and region-ready technology, we help enterprises scale impact, transforming loyalty into a core differentiator.

About the Company

Founded in 2012, Capillary Technologies builds AI-powered, cloud-native loyalty and customer engagement SaaS solutions for enterprises across industries, enabling them to build stronger consumer relationships through data-driven insights, personalised engagement and scalable technology solutions.

Sectoral Presence

We have built deep expertise across a diverse set of industries, including fuel retail, consumer packaged goods (CPG), conglomerates, airlines, hospitality, and retail segments such as apparel, footwear, hypermarkets, food and beverage (F&B), luxury and jewellery, health & beauty, consumer durables and IT.

Serving over 415 brands across 49 countries, we continuously enhance our capabilities to meet the evolving needs of businesses worldwide and to drive innovation in the field of loyalty.

Today, 20% of the world's largest loyalty programs are powered by Capillary. From embedding loyalty into every transaction to enabling real-time engagement and decision-making, the focus has shifted from simply "having" a program to how effectively it performs.

Industries we cater to

BFSI	Telecommunications	Consumer Goods
Food & Beverage	Healthcare	Conglomerates
Oil & Gas	Retail	Travel, Auto & Hospitality

415+ Brands

1.9B+ Consumers on the Platform

49 Countries Served

Our Vision and Mission

Core Beliefs

1 We Understand Loyalty

We believe data and technology can disrupt and reimagine how organisations conceptualise long-term customer loyalty

2 Customer Is at the Center of Innovation

We thrive on making customer-focused choices through validation, continuous feedback, and co-creation with customers that result in better loyalty solutions.

3 Life Beyond Numbers

Building A Conscious Workplace: We seek to build a supportive atmosphere that nurtures the overall growth of our employees. Since inception, we have endeavoured to operate as a community of people who mutually support each other for long-term growth.

Key Performance Highlights

Ipo Milestones

₹ 8775.01 Mn
IPO size

52.95x
Subscription Rate

Financial Performance

₹ 7,345.99 Mn
Revenue

₹ 1,065.85 Mn
EBITDA

Customer and Growth Metrics

39
New Enterprise Client Added

80%
Customer Retention Rate

110%
Net Revenue Retention (NRR)

Our People

689
Total Permanent Employees

24%
Women Workforce Ratio

30 hr
Training Hours Per Employee

Key Strengths

Capillary combines an integrated technology platform, AI-driven capabilities, global customer relationships and disciplined execution to build a scalable customer engagement business. Its software-led delivery model, industry recognition, diversified customer base and proven acquisition strategy position the Company to serve enterprises across industries while supporting profitable growth.

Fully Integrated Loyalty Platform

A single platform brings together loyalty management, customer data, analytics, rewards and marketing automation, creating a unified customer view across multiple touchpoints. The integrated architecture supports enterprise-scale deployments while simplifying customer engagement.

- Loyalty+
- CDP+
- Insights+
- Rewards+
- Engage+

Industry Recognition

Capillary's platform has been recognised by leading global analyst firms for its product capabilities, strategy and innovation, reflecting its position in the loyalty technology market.

- Forrester Wave™ – Highest rated on Current Offering and Strategy
- Everest Group PEAK Matrix® Assessment 2025 – **Leader**
- SPARK Matrix™: Customer Loyalty Solutions 2025 – **Leader**

Ai-Powered Customer Engagement

The aiRA platform combines intelligence, automation and explainable AI to help enterprises generate insights, automate workflows and improve customer engagement while maintaining transparency in AI-driven recommendations.

- Analytics & Insights Agent
- Marketer's Decision Engine
- Autonomous Action Engine

Global Customer Footprint

Capillary serves enterprises across multiple industries and geographies, reducing dependence on any single sector while supporting long-term customer relationships.

- **49**
  Countries
- **415+**
  Brands
- **20**
  Fortune 500 enterprises

Profitable Growth Model

Revenue growth, expanding margins and disciplined cost management demonstrate the scalability of Capillary's software-led operating model.

- **53%**
  Revenue CAGR (FY23–FY26)
- **14.6%**
  Adjusted EBITDA Margin (FY26)

Proven Acquisition Strategy

Capillary has integrated multiple acquisitions while improving contribution margins and generating returns through platform integration and operational efficiencies.

- **5**
  Acquisitions since 2021
- **20%+**
  Return on Invested Capital
- **~4 Years**
  Average Cash Payback

Experienced Leadership

A stable leadership team with long-standing industry experience provides strategic direction and execution discipline, supporting business growth, customer relationships and organisational continuity.

- Founder-led since inception
- Long-tenured leadership team

Milestones

2012
Incorporated as Kharagpur Technologies Private Limited and subsequently renamed Capillary Technologies India Private Limited

2013
Expanded operations to Dubai (Capillary Dubai), strengthening our presence in the Middle East

2017
Expanded footprint in Southeast Asia with entry into Malaysia (Capillary Malaysia)

2018
Strengthened Southeast Asia presence with expansion into Indonesia (Capillary Indonesia)

2021
Acquired our material subsidiary

- Entered the United States market through acquisition of Persuade Holdings, Inc. and Persuade Loyalty, LLC

2023
Accelerated global expansion through strategic acquisitions

- Acquired Brierley & Partners, Inc.
- Acquired select assets from Tenerity LLC

2025
Strengthened capabilities in loyalty and customer engagement

- Acquired Kognitiv Solutions Inc.

2026
Entered Latin America Market with first customer win.

Geographic Presence

Our global footprint enables us to address diverse customer needs across regions, combining local market insight with a unified delivery approach. We operate through 16 offices across key international markets and serve customers in 49 countries.

We operate through **16 offices** across key international markets

The map is for representative purposes only and not to scale

serve customers in **49** countries

Key Markets

- Canada (Waterloo)
- US (Dallas, Minneapolis)
- UK (London)
- United Arab Emirates (Dubai)
- India (HQ) (Bengaluru, Gurugram, Pune)
- Thailand
- Vietnam (Ho Chi Minh City)
- Malaysia (Kuala Lumpur)
- Singapore (Singapore)
- Philippines
- Indonesia (Jakarta)

Products and Services

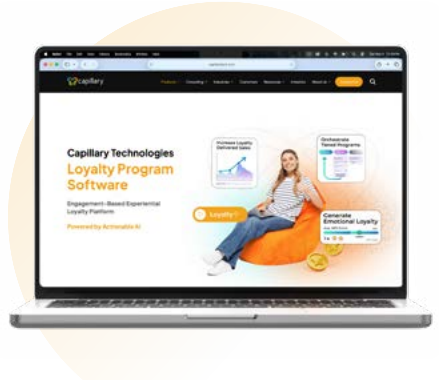
We continue to create impact through innovation, as leading brands increasingly adopt loyalty-led ecosystems that transform customer engagement into a measurable P&L driver. Loyalty is evolving from standalone programs into an enterprise-wide capability.

We enable organisations to recognise customers across all channels, determine the next best action in real time and manage value exchange with precision and trust. Through an integrated approach, we help businesses deliver personalised experiences, optimise customer journeys and improve retention outcomes.

Product Suite

Our product suite is built on a unified, AI-led platform that consolidates data from multiple touch points to deliver a great customer experience. By integrating advanced analytics, real-time engagement capabilities and a scalable architecture, we help large corporations worldwide adapt to evolving consumer expectations, gain deeper insights into their customers and, optimise business outcomes. Our platform also includes enterprise-grade security features, ensuring organisations can operate safely and reliably while delivering personalised, data-driven experiences.

Loyalty+



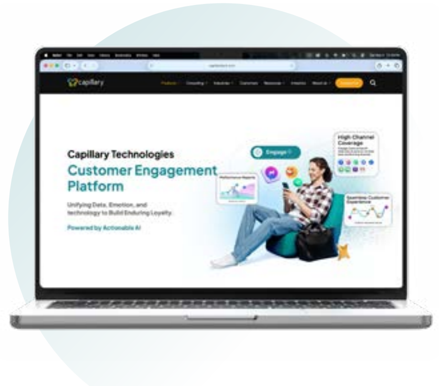
Loyalty+ is a cloud-based platform for designing and managing end-to-end loyalty programs across online, in-store and social channels. Leveraging AI and advanced analytics, it enables real-time, personalised engagement through frameworks such as Nudge and Loyalty Delivered Sales (LDS), helping brands drive measurable outcomes and enhance customer lifetime value (CLTV).

During the year, Loyalty+ was significantly revamped to enhance usability, scalability and governance. These included a true self-serve What You See Is What You Get (WYSIWYG) experience, simplified promotion creation workflows, stronger search and enrollment capabilities and robust Role-Based Access Control (RBAC) with maker-checker functionality. By integrating seamlessly with CDP+, it delivers actionable insights, targeted interventions and scalable loyalty strategies to strengthen customer relationships and maximise return on investment

Key Benefits

- Enables end-to-end management of customer loyalty strategies
- Supports highly customisable and digital-first loyalty programs
- Enhances customer engagement and brand affinity
- Improves revenue growth and profitability
- Integrates CRM, loyalty and engagement into a unified platform
- Enables personalised loyalty experiences at scale
- Provides flexibility to design industry-specific solutions

Engage+



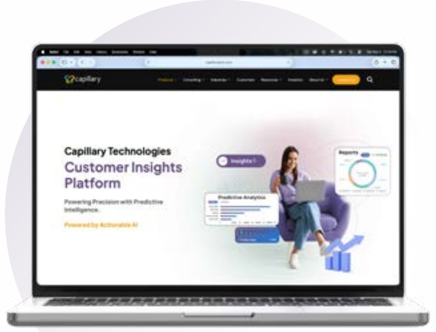
Engage+ is an AI-powered customer engagement platform that enables real-time, hyper-personalised interactions across multiple channels. Advanced analytics and automation provide real-time insights, while cross-channel communication and adaptive customer journey capabilities enhance engagement and conversion outcomes.

During the year, we have expanded mobile SDK capabilities, including anonymous user tracking, enabling brands to identify, convert and register previously anonymous users as loyalty program members, supporting a more seamless customer lifecycle.

Key Benefits

- Enables faster, insight-led decision-making
- Improves efficiency in campaign creation and management
- Enhances customer engagement through personalised interactions
- Increases productivity across marketing activities
- Delivers actionable insights into customer behaviour
- Improves campaign effectiveness with relevant, timely communication

Insights+

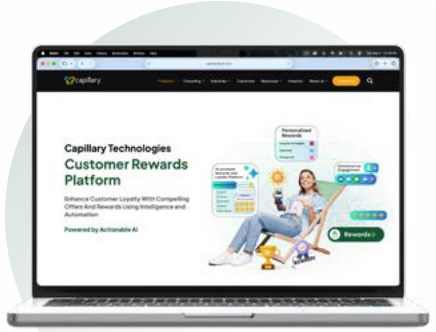


Insights+ is an advanced decision-making tool designed for today's business environment, delivering actionable insights to support more informed decisions. It aggregates data from multiple sources to facilitate descriptive, predictive and prescriptive analytics. By delivering real-time insights, forecasting capabilities and data-driven recommendations, Insights+ helps businesses optimise strategies, enhance customer experiences and achieve measurable outcomes.

Key Benefits

- Improves ROI through data-driven recommendations
- Enhances conversion rates with targeted, insight-led interventions
- Enables accurate and effective customer journey mapping
- Uncovers opportunities through a unified 360° data view
- Supports smarter decision-making with predictive and prescriptive insights
- Improves data integration, analysis and overall productivity

Rewards+



Rewards+ is designed to deliver engaging customer experiences that drive profitable loyalty. It enables our customers to provide highly personalised incentives across a wide network of offers, including cash back, vouchers, discounts and experiences. By leveraging advanced intelligence and a digital-first approach, the platform curates relevant rewards for each customer, strengthening engagement, retention and repeat behaviour. It also enables brands to optimise between revenue-generating and funded offers based on customer value, maximizing commercial outcomes. With strong personalisation, optimisation capabilities, and a wide offer ecosystem, Rewards+ is underpinned by commercial flexibility to enhance overall loyalty performance.

Key Benefits

- Delivers the appropriate reward at the optimal time to drive customer action
- Enhances customer retention through personalised offers and incentives
- Increases engagement with continuous, relevant interactions
- Drives revenue through monetisation, cross-selling and repeat purchases
- Boosts purchase frequency with curated reward experiences
- Improves customer satisfaction through personalised choice and value
- Enables competitive differentiation with a strong loyalty proposition

CDP+

CDP+ is an advanced customer data platform that unlocks enterprise data to help brands maximise the value of their data investments and improve decision-making. It consolidates information from offline and online touch points into a unified, continuously updated customer database through real-time integration and verification. Leveraging AI-driven segmentation and behavioural intelligence, CDP+ enables hyper-personalisation at scale by analyzing purchase patterns and transactional signals. This empowers organisations to execute precise, data-led customer strategies that improve engagement, conversion, and overall business performance.

Key Benefits

- Creates a unified 360° view of customers across all touch points
- Enables accurate identity resolution for seamless customer profiling
- Supports proactive, data-driven marketing and decision-making
- Enhances targeting through advanced segmentation and micro-segmentation
- Delivers personalised, consistent experiences at scale
- Enables real-time, one-to-one customer engagement
- Integrates seamlessly with existing CRM and Martech ecosystems
- Improves campaign effectiveness and customer lifetime value

Platform Architecture Enhancements

We strengthened our product architecture through continued investments in Vulcan and Neo, enhancing application development speed and overall extensibility. Vulcan enables the rapid development and customisation of secure, scalable user interfaces, while Neo supports the seamless extension of core capabilities through API enrichment, data transformation and event workflows. Together, these capabilities create a modular and flexible platform that allows us to deliver tailored solutions efficiently.

Way Forward

Our product roadmap is organised around three strategic themes: AI-powered marketing, customer growth, and enterprise readiness. In the first theme, we are expanding aiRA to empower marketers with intuitive, intent-driven automated campaign execution. This will result in faster campaign launches and modifications, along with enhanced individual-level personalisation.

Further, we are transforming the platform into a continuous customer growth engine through unified identity capabilities, embedded loyalty experiences, AI-led experimentation and expanded acquisition and advocacy tools. To support global scale, we are strengthening platform performance, security and integration through advanced data processing, configurable architecture and intelligent observability.

These priorities support our transition from a loyalty program platform to a fully AI-driven customer engagement and intelligence ecosystem, designed to deliver scalable, data-led outcomes for enterprise clients.

MD and CEO Message

Aneesh Reddy Boddu
Founder, Managing Director & CEO

Dear Shareholders,

FY26 has marked a year of exceptional milestone achievements for your company. On 21st November 2025, we rang the IPO bell at the BSE and became a publicly listed company. The ₹8775.01 mn issue was heavily oversubscribed by 52.95 times, witnessing aggressive demand across investor categories, with the non-institutional investors (NIIs) quota booked 69.84 times, qualified institutional buyers (QIBs) at 57.27 times, and the retail portion at 15.85 times. The IPO ceremony at the "temple of capitalism in India" was truly inspirational for all of us.

A month after that, the Forrester Wave™: Loyalty Platforms, Q4 2025 report named Capillary as the Leader in loyalty platforms globally; we are the only vendor to score the highest in both today's capabilities and future potential, with a perfect score on 22 of the 27 categories covered in their report.

Getting to these two milestones in the same year mean a lot to us, an Indian Product startup which grew out of Bangalore, especially in the context of where we were just five years ago. When COVID led lockdowns happened in 2020-21, almost our entire customer base was concentrated within the Retail vertical in Asia. With the lockdowns, customer footfalls went to zero overnight, and so did a large part of our revenue. For the first time in our history, we had to let a significant part of our team go; something I had never imagined doing, and something I hope I never have to do again. It was the lowest point of my time building this company.

As I stood on the stage to ring the iconic BSE IPO bell, my thoughts naturally turned to those who made this milestone possible: the team members who stood by us, the customers who maintained their trust when our outcomes were still uncertain, and the shareholders who steadfastly backed us through our most challenging periods.

In the midst of that volatility during COVID, we made a defining strategic decision - to expand our footprint beyond Asia and diversify into new industry verticals beyond Retail. Our subsequent performance has fully validated that ambition. This resilience was further recognised when we received the Economic Times 'Comeback Kid' award by Hon'ble Minister of Commerce Shri Piyush Goyal. I view this award not as a corporate accolade, but as a testament to our team, our customers, and our investors.

Performance against FY26 priorities

At the start of the year, we set ourselves four priorities.

- **Public Listing:** We listed on the BSE in November, with a successful IPO. The ₹8775.01 mn issue was heavily oversubscribed by 52.95 times, witnessing aggressive demand across investor categories, with the non-institutional investors (NIIs) quota booked 69.84 times, qualified institutional buyers (QIBs) at 57.27 times, and the retail portion at 15.85 times.

- **AI led Productivity:** Our engineering teams became approximately 40% more productive between July and March, and we anticipate a further 25–30% improvement ahead. In a single month, our customers used aiRA to create over 2,500 campaign configurations and to answer more than 16,700 data queries, work that would otherwise have consumed many man-months of manual effort. Adoption across our delivery and support teams has been near-universal. While we have made substantial progress in this area, we continue to be optimistic on AI's potential in our business. We have ambitious plans with aiRA for our customers over the coming years.

- **M&A as a Growth Engine:** In FY26, we have further consolidated our M&A playbook, and acquired two businesses during the year. In May 2025, we acquired Kognitiv Inc., with more than 30 enterprise brands, strengthening our position in the US, ANZ, SEA and UAE markets. In Feb 2026, we entered into an agreement to acquire SessionM from Mastercard. SessionM serves more than 40 enterprise customers, including Fortune 500 companies, adding major airlines, airports and QSR chains to Capillary's portfolio. This transaction was successfully completed in May 2026. Both of these acquisitions are firmly on the trajectory of achieving 40-45% contribution margin within 3-4 years, similar to our previous acquisitions.

- **Achieving "Rule of 40" for SaaS Companies:** "Rule of 40" is the gold standard benchmark applied to SaaS companies, where growth and profitability together should sum to at least 40. We finished the year at 38, firmly on track on profitability with an EBITDA margin of 14.6% and growing. We continue to focus on organic growth for the North America and Europe markets.

Becoming an AI-Native Company

We are not merely adding AI to our products, we are becoming an AI-native company. For us, that transformation rests on three pillars.

- **AI-Native Products:** Our flagship product, aiRA, is an AI agent for loyalty and customer engagement teams. I would like to share two stories from our customers to highlight the power of aiRA.

  A leading US healthcare benefits provider dramatically accelerated its operations, rolling out over 90 unique loyalty programs to 90+ client organisations and 120 million end customers. The company cut its total project effort by 75% and shrank configuration timelines from 90 days down to just 21 days. This efficiency also optimised their workforce, reducing the launch team size from 20 people down to just 4. Most importantly, this speed came with incredible precision, delivering a 99.9% accuracy rate that proves the power of automated scaling.

  A major multi-category Asian conglomerate super-app successfully streamlined its marketing operations across more than 15 product categories, supporting 20.6 million active customers. By using aiRA, the company cut promotion creation time by 50%, saving an average of 30 minutes on every promotion launched. This speed has fundamentally increased agility for the team as they go live with over 50 new promotion types every month. Overall, these improvements delivered a powerful 25% boost in campaign operational efficiency across their entire user ecosystem.

- **AI-Native Pricing:** While our core loyalty pricing will remain the same as a true system of record grounded in the members and transactions we manage on behalf of our customers, this dynamic changes dramatically in the AI ecosystem. With aiRA, we are moving towards pricing based on usage and outcomes. Firstly, this leads to a modest entry price enabling faster adoption for our customers. Secondly, our revenue scales as our customers realise more value creating a true win-win proposition. Early response from our customers has been encouraging, giving us confidence to double-down on this approach.

- **AI-Native Organisation:** More than the products and customer outcomes, I am excited about how AI is enabling us to transform the very fabric of how we build, not merely what we deliver to our customers. We have broken large teams into small, fast ones - I think of it as trading a few large ships for a fleet of speedboats. We have run hackathons across the entire company, not engineering alone, to put these tools into everyone's hands. And AI innovations are also reshaping how we bring acquired companies onto our platform, reducing dramatically the time that work once demanded. The energy and focus across our teams reminds me of our earliest days.

Our strategic roadmap for AI innovation and execution remains extensive; feedback from our customers, stakeholders and employees makes me confident that we are still in the early stages of our long-term trajectory. The upcoming step in this journey will enable the next generation of commerce through agentic AI - shifting from assistive software to truly autonomous capabilities that do not merely help our customers act, but actively execute transactions and operations on their behalf. We will also pair this capability with specialised toolsets tailored to various industry verticals that we serve.

Focusing on the Three Engines of Our Business

As a SaaS business, our success is driven by three levers which deliver growth and profitability.

- **Winning New Customers:** : We added substantial new business this year led by North America. Roughly 40% of these customers were introduced to us by large System Integrators and Consulting Partners willing to place their own reputations behind us. A new customer, once fully onboarded, earns us ~65-70% gross margins at maturity, and we now recover the cost of acquiring them in around fourteen months.

- **Growing With Our Existing Customers:** When a customer expands with us — more transactions, more brands, more countries, more products from us — it is the clearest evidence that we are serving them well. This year, our customers spent, on average, 114% of what they had spent the year before. As NRR expands, incremental revenue from existing customers comes at higher gross margins and help in consistently improving subscription GMs, expanding to 67.2% in FY26 from 66.4% in FY25 .

These two levers combined constitute the organic business growth for Capillary. In FY26, we closed ₹1,214.00 mn of new Annual Contract Value (ACV), registering a robust 35% growth over FY25, excluding one large healthcare client which was onboarded on Capillary in FY25. Our overall Customer Acquisition Cost (CAC) has also shown a declining trend when compared with the ACV growth. In FY26, CAC as a % of ACV was 16.9% as compared to 17.9% in FY25.

With healthy new business addition and lower churn, our overall Revenue growth from these organic levers has shown a combined 42% CAGR since FY23.

- **Acquiring Businesses:** This is now a matured workstream with Capillary completing 5 acquisitions since 2021. Our playbook is to acquire established companies with large enterprise customers in North America, upgrading their customers on Capillary's technology platform, thereby improving their experience and boosting our profitability. We have demonstrated success of this approach with all three of the previous acquisitions turning around from loss-making businesses to 35-40% Contribution Margin (CM) businesses within 3 years of integration. Successful execution has enabled us to recover the cash invested in an acquisition in roughly four years, and consistently generate returns in excess of 20%.

Leveraging these three engines of our business, we have delivered ₹7,436.00 mn Revenue in FY26, growing 23% over previous year. With this, we have now grown for fifteen consecutive quarters. More importantly, we grew profitably: adjusted EBITDA for the business grew to ₹1,069.00 mn, up 43% YoY. Adjusted EBITDA margins expanded to 14.6%, up from 12.5% the year before.

We closed the fiscal year with approximately ₹4,830.00 mn in cash and cash equivalents. This strong liquidity position is driven by ₹3,310.00 mn in net IPO proceeds, further bolstered by ₹1,500.00 mn generated from our core operations in FY26—a clear reflection of our robust operational strength.

Strengthening the Organisation & Leadership

Capillary now serves more than 400 brands across around 50 countries, reaching nearly two billion consumers globally. Our revenue model has successfully diversified; retail, which historically constituted the vast majority of our portfolio, now accounts for less than one-third of our business. The remainder of our top-line is strategically distributed across resilient sectors including banking, telecommunications, travel, hospitality, and healthcare - establishing a well-balanced revenue foundation.

From a regional perspective, North America represents 60% of our global revenues, followed by Asia at 25% and Europe at 15% share. To sustain this momentum, we have systematically reinforced our executive leadership team over the years. In FY26, we onboarded and appointed key regional leaders to scale our enterprise relationships:

- Jan-Pieter Lips, President, Europe: A highly regarded loyalty pioneer and co-founder of the Nectar program, JP brings over two decades of global experience in retail media, data analytics, and customer engagement to drive Capillary's European expansion.
- Sumit Kumar, President Sales, India, Middle East, and Africa (IMEA): Sumit leverages more than 28 years of enterprise sales and customer success expertise, having held prominent leadership roles at retail giants like Al-Futtaim, Landmark Group, and Marks & Spencer, to deepen enterprise platform adoption across the region.
- Dena Escobedo, SVP Customer Success, US: Joining through the Kognitiv acquisition, Dena brings nearly 25 years of leadership experience in customer success and enterprise account management, across SaaS, travel, hospitality, fintech, and automation, positioning her to scale our North American enterprise partnerships.

One Last Thought

I began this letter describing the significant milestone achievements, and our comeback from the lowest points during COVID lockdowns. All of this came from people - customers who trusted us with their most valuable relationships and stayed with us while we found our feet, shareholders who kept their faith through the hardest of years, and colleagues who chose to keep building when it would have been far easier to walk away. I owe all of them more than a line in a letter can capture, but I want them to know that I carry it with me.

There is a way I have come to think about where we are. We have been climbing for a long time, and this year we finally reached the base camp on the mountain. It is a real achievement, most who set out never get this far. and we have earned a night's rest to take in the view. But base camp was never the goal. The summit is. Tomorrow morning, we start the steeper climb.

Thank you for climbing it with us.

Warm regards,

Aneesh Reddy Boddu
Managing Director & CEO
Capillary Technologies

Financial Performance

Standalone

Revenue From Operations
(₹ in Million)

FY 2025-26	2118.90
FY 2024-25	1740.91
FY 2023-24	1186.21
FY 2022-23	1502.99
FY 2021-22	1633.36

PAT
(₹ in Million)

FY 2025-26	28.90
FY 2024-25	35.06
FY 2023-24	(523.34)
FY 2022-23	(871.45)
FY 2021-22	(221.58)

EBITDA
(₹ in Million)

FY 2025-26	499.94
FY 2024-25	455.83
FY 2023-24	(523.34)
FY 2022-23	(900.64)
FY 2021-22	(61.51)

Net Worth
(₹ in Million)

FY 2025-26	8232.04
FY 2024-25	4777.19
FY 2023-24	4654.53
FY 2022-23	2050.35
FY 2021-22	1502.26

EBITDA Margin
(in %)

FY 2025-26	23.59
FY 2024-25	26.18
FY 2023-24	(36.71)
FY 2022-23	(59.99)
FY 2021-22	(3.77)

Return on Capital Employed (RoCE)
(in %)

FY 2025-26	0.79
FY 2024-25	2.13
FY 2023-24	(7.36)
FY 2022-23	(26.98)
FY 2021-22	(8.00)

PBT
(₹ in Million)

FY 2025-26	28.90
FY 2024-25	35.06
FY 2023-24	(523.34)
FY 2022-23	(871.45)
FY 2021-22	(221.58)

Return on Net Worth (RoNW)
(in %)

FY 2025-26	0.35
FY 2024-25	0.73
FY 2023-24	(11.24)
FY 2022-23	(43.93)
FY 2021-22	(14.75)

Consolidated

Revenue from Operations
(₹ in Million)

FY 2025-26	7345.99
FY 2024-25	5982.59
FY 2023-24	4833.97
FY 2022-23	3226.81
FY 2021-22	2230.69

PAT
(₹ in Million)

FY 2025-26	523.88
FY 2024-25	132.80
FY 2023-24	(593.76)
FY 2022-23	(953.38)
FY 2021-22	(1008.41)

EBITDA
(₹ in Million)

FY 2025-26	1065.85
FY 2024-25	785.73
FY 2023-24	(639.72)
FY 2022-23	(1041.09)
FY 2021-22	(871.09)

Net Worth
(₹ in Million)

FY 2025-26	10234.93
FY 2024-25	5682.47
FY 2023-24	5166.10
FY 2022-23	1664.43
FY 2021-22	1161.42

EBITDA Margin
(in %)

FY 2025-26	14.51
FY 2024-25	13.13
FY 2023-24	(10.83)
FY 2022-23	(32.26)
FY 2021-22	(39.05)

Return on Capital Employed (RoCE)
(in %)

FY 2025-26	8.82
FY 2024-25	4.56
FY 2023-24	(14.53)
FY 2022-23	(70.43)
FY 2021-22	(0.00)

PBT
(₹ in Million)

FY 2025-26	511.1
FY 2024-25	106.78
FY 2023-24	(752.58)
FY 2022-23	(994.77)
FY 2021-22	(1031.16)

Return on Net Worth (RoNW)
(in %)

FY 2025-26	5.12
FY 2024-25	2.34
FY 2023-24	(11.49)
FY 2022-23	(52.70)
FY 2021-22	(86.83)

Growth Strategy

Our growth strategy focuses on scaling our enterprise loyalty platform through five key priorities: deepening relationships with existing clients, expanding our global customer base, enhancing our product capabilities, driving AI-led innovation, and making targeted acquisitions. Together, these initiatives enable us to deliver sustained growth and improved operating leverage.

Deepening Enterprise Relationships

We strive to expand within our existing customer base through higher platform usage, annual subscription increases, adoption of additional modules and expansion across brands or geographies. Customers typically begin with our Loyalty stack and, over time, adopt adjacent solutions such as Engage+, Insights+, Rewards and aiRA, thereby enhancing stickiness and improving net retention.

Key focus areas

- Drive higher usage across existing loyalty programs
- Cross-sell Engage+, Insights+, Rewards and aiRA
- Expand from one brand or geography to broader adoption within large enterprise groups
- Continue improving net retention through product-led expansion

Winning New Enterprise Customers

We focus on winning new brands and customers among large global enterprises, particularly among Fortune 2000 organisations undertaking loyalty transformation initiatives. Beyond the product and technical capabilities, our "right to win" is enhanced by deep domain expertise across industry verticals, partnerships with SIs and Consultants, and strengthened brand positioning through industry analyst recognitions as leaders in the loyalty industry.

Key focus areas

- Strengthen participation in large enterprise RFPs
- Leverage product depth, AI capability and enterprise-grade reliability as key differentiators
- Target organisations transitioning from agency-led and legacy loyalty models
- Build vertical-specific solutions for sectors such as airlines, hotels, healthcare and FMCG

Ai-Led Product Differentiation

aiRA is central to our innovation roadmap, enabling users to query analytics, run campaigns, create promotions and manage workflows through simple conversational prompts. This allows us to evolve beyond a system of record into systems of intelligence and engagement.

Key focus areas

- Expand aiRA-led analytics, campaign and support use cases
- Reduce dependency on manual agency-led delivery models
- Improve customer productivity through no-code and conversational workflows
- Use aiRA as a differentiator to improve win rates, especially in the US market

Product Innovation and Platform Scalability

We continue to invest in AI, no-code workflows, gamification, seamless integrations and verticalised deployment models. In parallel, we maintain a strong focus on enterprise-grade governance, privacy and security, which are essential for serving our global customer base.

Key focus areas

- Build loyalty experiences beyond points and coupons, including badges, rewards, streaks and milestones
- Simplify customer migrations and integrations
- Accelerate deployment timelines for large enterprises
- Strengthen governance, privacy and reliability standards

Acquisition-Led Growth and Platform Migration

We acquire complementary loyalty businesses, migrate their customers onto our platform and improve margins by helping them mitigate the obsolescence of services-heavy models. During the year, we completed the acquisition of Kognitiv and advanced platform consolidation efforts, including sunsetting legacy platforms.

Key focus areas

- Acquire complementary loyalty businesses at disciplined valuations
- Migrate acquired customers to the Capillary platform
- Improve gross margins through platform consolidation
- Generate operating leverage by sunsetting legacy technology platforms

Strategic Acquisitions

Our strategic agenda prioritises value-accretive acquisitions that enhance core platform capabilities and expand our market reach. Capitalizing on market fragmentation, we acquire highly strategic, complementary businesses to scale our enterprise customer network, optimise operating leverage, and accelerate our shift toward a predictable, high-margin SaaS model.

2021
PERSUADE

Persuade Group

1,858.33
Investment (₹ Mn)

388.94
Acquired Revenue (₹ Mn)

United States
Key Geography Added

Enterprise loyalty clients
Core Capability Added

2025
kognitiv.

Kognitiv

1467.03
Investment (₹ Mn)

Enterprise loyalty SaaS
Core Capability Added

Australia & New Zealand
Key Geography Added

2023
BRIERLEY Transforming Loyalty

Brierley & Partners

826.30
Investment (₹ Mn)

1,450.06
Acquired Revenue (₹ Mn)

North America
Key Geography Added

Loyalty consulting & strategy
Core Capability Added

2026
session m A Mastercard Company

SessionM

Latin America
Key Geography Added

Enterprise loyalty SaaS
Core Capability Added

2023
tenerity

Rewards+ (Tenerity Assets)

277.33
Investment (₹ Mn)

852.30
Acquired Revenue (₹ Mn)

Europe (EU)
Key Geography Added

Rewards & redemption platform
Core Capability Added

Persuade Group

We acquired Persuade Group to strengthen our presence in the United States and establish a foothold in a mature, highly competitive loyalty market. The acquisition provided access to established enterprise relationships and accelerated entry into large-scale loyalty programmes, while also enhancing our go-to-market effectiveness through Persuade's leadership and domain expertise.

Outcome

- Established a strong foothold in the US market with access to Fortune 500 clients
- Accelerated revenue growth post-acquisition, with significant scaling over subsequent years
- Expanded customer acquisition, with a significant share of revenue driven by new clients post-integration
- Strengthened go-to-market capabilities through leadership expertise and platform synergies

Brierley & Partners

The acquisition of Brierley & Partners strengthened our capabilities and expanded our footprint in North America. By integrating Brierley's proven frameworks and strategic advisory expertise, we developed more comprehensive, insight-led solutions that complement our technology platform and address evolving enterprise needs.

Outcome

- Added over 30 years of domain expertise in loyalty strategy and consulting
- Strengthened offerings through integration of the proprietary Brierley Loyalty Quotient (BLQ) framework
- Expanded access to marquee global clients, enhancing both customer base and brand credibility
- Enabled delivery of more comprehensive, end-to-end loyalty solutions

Tenerity Assets

We acquired select assets from Tenerity to strengthen our product ecosystem by enhancing rewards and redemption capabilities and expanding our presence in the European market. This strategic move enabled the development of a more integrated, end-to-end loyalty offering while opening access to new customer segments and diversifying revenue streams.

Outcome

- Enabled launch of Rewards+, strengthening our end-to-end loyalty ecosystem
- Expanded presence in the European Union with access to new markets and customers
- Added a strong portfolio of BFSI and telecom clients
- Delivered revenue growth post-acquisition and improved cross-sell opportunities across the platform

Kognitiv

We focused on expanding enterprise-grade loyalty SaaS capabilities and strengthening our presence across North America and new global markets through the acquisition of Kognitiv. By integrating Kognitiv's platform and customer base, we enhanced scalability, optimised synergies and supported long-term growth through a unified and efficient technology stack.

Outcome

- Added enterprise-grade loyalty platform capabilities across multiple industries
- Expanded geographic footprint to new markets including Australia and New Zealand
- Strengthened customer base with large BFSI and telecom clients
- Enabled platform consolidation strategy to drive scalability, cost efficiencies and operational synergies

SessionM (A Mastercard Company)

We acquired SessionM to strengthen our presence in high-frequency verticals such as F&B and Airlines, establish entry into the Latin American market through an established footprint and accelerate scale through additional enterprise clients as well as recurring revenue.

Outcome

- Expanded presence into new verticals, including F&B and Airlines, enhancing addressable market opportunities
- Established entry into the Latin American region. This entry is through acquired customers of SessionM only
- Accelerated scale with a significant increase in overall customer base and recurring revenue
- Enhanced geographic footprint across North America, APAC and new markets

Digital Infrastructure

The full potential of AI is realised only when it is built on a strong data foundation. As a loyalty-first organisation, our platform is anchored by a true customer data platform (CDP) at its core, serving as the engine that powers every customer interaction.

This enables businesses to move from fragmented campaigns to connected, data-driven engagement. We ensure agility, resilience and real-time intelligence, enabling consistent performance and delivery across diverse markets and customer touch points.

Cloud-Native Architecture and Scalable Infrastructure

Our platform is built on a cloud-native, micro-services-based architecture that supports modular deployment, high scalability and robust performance across diverse enterprise use cases. During the year, we enhanced system efficiency by improving auto-scaling, optimizing API performance and strengthening distributed computing capabilities, seamlessly managing increasing transaction volumes.

Key Highlights

- Micro-services architecture enabling modular and flexible deployment
- Multi-region data centers ensuring low latency and compliance
- Enhanced auto-scaling and API performance optimisation
- Investments in distributed computing and infrastructure scalability
- Improved CI/CD pipelines for faster and more reliable deployments

Global Deployment, Reliability and Performance

Our infrastructure is designed to support seamless multi-region operations while maintaining high availability and consistent performance for enterprise clients. With region-specific deployments and robust reliability frameworks, we ensure uninterrupted service and adherence to compliance standards across markets

Key Highlights

- Region-specific deployments ensuring data sovereignty and compliance
- Presence across Asia, the Middle East and other key markets
- Real-time monitoring and automated incident response systems
- Dedicated SRE teams ensuring enterprise-grade uptime and reliability

Ai, Data and Integration Capabilities

We leverage AI, advanced data infrastructure and seamless integration frameworks to deliver enhanced customer engagement and unified experiences across channels. Our platform supports large-scale data processing while enabling real-time insights and personalisation.

Key Highlights

- AI/ML models enabling personalised recommendations and segmentation
- Real-time data processing and enhanced CDP capabilities
- API-first architecture with pre-built connectors across systems
- Omnichannel integration across in-store, online and mobile touch points
- Distributed data infrastructure supporting large-scale consumer data

aiRA

aiRA is our Generative Loyalty AI layer, designed to enhance the speed, scalability and intelligence of loyalty operations. It enables users to configure complex campaigns through simple, chat-based prompts, reducing timelines, delivering real-time insights with improved accuracy. With specialised AI agents such as the Conversational Analytics, Configuration, Testing and Validation and Resolution Agents, aiRA drives automation, simplifies workflows, and enhances decision-making, creating a more responsive and intelligent loyalty ecosystem.

5-Layer Platform Innovation Approach

Our approach is anchored in delivering measurable value through strong platform adoption and tangible business outcomes. We prioritise improvements in key customer metrics, such as NPS and conversion, while enabling faster experimentation and continuous learning to drive sustained performance.

Our Approach

Ai-First Loyalty

Generative & agentic AI for campaign design, forecasting, fraud prevention and configurations

Conversational Interfaces

aiRA agents streamline no-code workflows as well as enable analytics, intelligent Q&A and campaign management

Personalised Loyalty Experiences

Member-centric personalised rewards, challenges & micro-communities for deeper engagement Employee engagement and experience

Vertical-Led Approach with Easy Integration and Migration

Simplified brand onboarding through tailored, industry-specific solutions and efficient platform migration

Trust, Governance and Enterprise Readiness

Integrated frameworks for data privacy, security, compliance and explainability, supported by robust controls for scalable AI-driven loyalty

Key Priorities Ahead

We remain focused on advancing our digital infrastructure to meet next-generation enterprise requirements. Key priorities include expanding generative AI capabilities across the platform, strengthening real-time personalisation to deepen customer engagement and enhancing infrastructure resilience to support Tier-1 enterprise deployments. In parallel, we will continue to invest in our global cloud footprint to support entry into new markets and support long-term growth.

Data Protection

In an environment shaped by rapid Martech evolution and AI-driven disruption, loyalty has become a fundamental pillar for brands. Building trust is essential not only for businesses but also for us, particularly as we manage large volumes of crucial data. Our approach is anchored in strong governance frameworks, advanced security controls and a privacy-first design philosophy. We ensure that customer information is managed responsibly, securely and in line with evolving regulatory requirements.

Privacy Framework and Governance

We follow a privacy-by-design and security-by-default approach, embedding data protection principles across our platform and operational processes. Data is processed strictly in accordance with customer instructions, guided by the principles of data minimisation and purpose limitation.

Key Highlights

- Privacy controls embedded across the product development lifecycle
- Multi-tenant architecture with strict logical data segregation
- Alignment with global standards such as ISO/IEC 27001:2022
- Continuous tracking of regulatory changes and policy updates

Security Architecture and Controls

Our security architecture is built on a multi-layered architecture designed to protect data through advanced encryption protocols, secured infrastructure and robust control mechanisms. This approach ensures confidentiality, integrity and availability of data, supported by globally recognised certifications and continuous monitoring systems.

Key Highlights

- ISO/IEC 27001:2022-certified
- Encryption of data at rest (AES-256) and in transit (TLS 1.2+)
- Secure key management and network security measures (firewalls, WAF)
- Secure SDLC, change management and vendor risk management
- Continuous monitoring and logging across cloud infrastructure

Data Governance and Access Management

We implement robust data governance practices to ensure controlled access, responsible usage and full transparency across the organisation. Access is regulated through clearly defined roles and permissions, adhering to the Principle of Least Privilege (PoLP). Enforcement of strong authentication mechanisms and comprehensive auditability, this ensures that data is accessed only by authorised users and used solely for its intended purposes.

Key Highlights

- Role-based access control (RBAC) aligned with the Principle of Least Privilege
- Multi-factor authentication (MFA) and periodic access reviews
- Defined data usage principles based on minimisation and compliance
- Comprehensive auditing for monitoring and forensic analysis
- Compliance with regional data privacy Laws of regions we operate in

Sales and Marketing

Orchestrating Visibility Across Channels

Traditional points-based campaigns are no longer sufficient on their own; brands are transitioning towards more connected, intelligent, and personalised loyalty experiences. We are helping brands build AI-powered loyalty programs that foster lifelong customer relationships. To align with these emerging trends, we have refined our sales and marketing strategy to become more focused, data-led and globally aligned. By strengthening integration across marketing, sales and partnerships, we are improving conversion outcomes and expanding our presence in priority industry segments.

Focused Go-To-Market Strategy

We have recalibrated our go-to-market (GTM) strategy to shift from broad-based outreach towards more curated, high-impact engagements with enterprise decision-makers. This strategy ensures that every interaction drives meaningful conservations and builds long-term relationships. Simultaneously, we have enhanced our digital discovery capabilities to maintain consistent inbound visibility across evolving search ecosystems, including AI-led platforms.

Key Highlights

- Shift to curated, closed-door enterprise engagements and owned platforms
- Increased focus on AI-led discoverability through SEO and GEO
- Stronger alignment throughTAM-based targeting and ABM campaigns
- Market-specific playbooks across Asia

Vertical-Led Growth Strategy

Our growth is anchored in vertical depth, enabling us to cultivate domain expertise, demonstrate proof points and improve win probability. By focusing on strong growth markets and proven capabilities, we tailor our value proposition for stronger client resonance across geographies.

Key Highlights

- Retail remains the anchor vertical globally with largest revenue share
- Growing expansion in the Fuel Retail segment
- Healthcare, especially in the US, emerging as a strategic growth area
- Selective focus on expanding into BFSI, Airlines, QSR and Telcos

Data, Ai and Platform-Led Marketing

Utilizing data and AI, we enhance the precision, scalability and effectiveness of our marketing efforts. By equipping teams with advanced tools and implementing robust governance frameworks, we ensure responsible data use while driving impactful marketing and engagement outcomes.

Key Highlights

- AI capability-building across teams
- Seamless integration of AI into marketing workflows
- Strong data governance and security frameworks

Building Brand Visibility and Market Positioning

We continuously enhance our brand visibility through thought leadership, community engagement and strategic collaborations. By actively participating in global conservations and aligning with industry stakeholders, we reinforce our positioning as a leader in customer engagement and loyalty solutions. We participated across 32 global events and forums to actively shape and represent Capillary brand in the industry.

Key Highlights

- Collaboration with global loyalty influencers
- Partnerships with regional associations
- Active participation in global conferences and forums

Managing Enterprise Sales Cycles

Enterprise sales cycles require patience and precision. We focus on building a structured pipeline, ensuring seamless coordination across marketing, sales and partnerships. This approach improves deal flow visibility, accelerates opportunities progression and strengthens conversion outcomes.

Key Highlights

- Focus on pipeline coverage across funnel stages
- Alignment between sales, marketing and partnerships
- Structured funnel management approach

Strategic Partnerships as Growth Multipliers

Strategic partnerships are a core pillar of our growth model, enabling us to extend market reach, enhance solution capabilities and accelerate conversions. By closely aligning marketing and partnership efforts, we leverage partner ecosystems to co-create opportunities and strengthen positioning in enterprise deals. We have 19 active strategic partnerships across global markets.

Key Highlights

- Deepened engagement with technology partners
- Expanded collaboration with system integrators
- Strategic acquisition to enhance platform capabilities
- Partner-led co-selling approach across key markets

Key Priorities Ahead

As we scale our global operations, our focus remains on strengthening brand visibility in key markets, particularly in the US, while improving conversion outcomes through a more targeted and selective sales approach. In addition, we are enhancing sales efficiency by prioritizing high-potential opportunities and optimizing resource allocation to drive better win rates and sustainable growth.

Human Resources

As a loyalty-first organisation, our people are at the cornerstone of our success. We are committed to building a future-ready, globally integrated and high-performance organisation capable of supporting a growing technology-led business. Our approach focuses on fostering strong relationships and creating competitive differentiation, while playing a strategic role in aligning talent, culture and organisational design with business objectives.

Our People Strategy

Our people strategy focuses on expansion, diversity and inclusion. We prioritise skill development, strengthen leadership pipeline and cultivate a unified culture. By leveraging data-led decision-making and digital tools, we enable proactive workforce planning and drive stronger organisational outcomes.

Key Focus Areas

- Competency-first hiring model focused on critical digital capabilities
- Integration-led workforce approach to support global expansion
- Shift towards analytics-driven HR decision-making

Talent Acquisition and Retention

Our talent strategy focuses on acquiring specialised expertise across AI/ML, cloud architecture and enterprise technologies, ensuring alignment with product innovation and long-term business priorities. Our approach to retention is rooted in a value-driven employee proposition that recognises both execution and strategic impact, fostering long-term commitment.

Key Focus Areas

- Targeted hiring for specialised capabilities
- Referral-driven recruitment model
- Retention through growth and recognition frameworks

Employee Engagement and Experience

Our engagement approach centers on open communication, continuous feedback, and global collaboration. By fostering transparent channels and culture-building initiatives, we ensure our workforce remains aligned, motivated, and connected across all regional teams.

Key Focus Areas

- Real-time feedback through “Glad, Sad, Mad” sessions
- Skip-level interactions for leadership visibility
- Cross-cultural workshops for global teams

Learning and Development

We have established a structured, continuous learning ecosystem to strengthen both technical and leadership capabilities. Guided by the 70-20-10 model, our approach emphasises experiential learning, collaborative exposure and formal training to drive sustained development.

Key Focus Areas

- 9-box framework for talent identification
- EEE model for leadership development
- Role-based and product-focused learning pathways

Performance and Career Development

Our transition to continuous performance management enables ongoing feedback and closer alignment between individual goals and organisational priorities. This approach supports agility and ensures meaningful career progression. We further strengthen capability through internal mobility and structured onboarding, enabling employees to explore diverse roles while enhancing organisational depth.

Key Focus Areas

- OKR (Objectives and Key results) based performance tracking
- Continuous feedback loops
- Internal mobility opportunities
- Structured onboarding journey

Diversity, Equity and Inclusion

Diversity and inclusion are integral to our global operating model. Our 'One Capillary' philosophy brings together teams across geographies and acquisitions, supporting a unified culture and shared purpose. We emphasise cognitive diversity, recognizing its role in driving innovation and better decision-making within a technology-led environment.

Key focus areas

- Cognitive diversity to drive innovation
- Cultural intelligence and global collaboration
- Balanced workforce representation

Employee Well-Being and Benefits

At Capillary, employee well-being encompasses physical, mental, and emotional health, as articulated in our 'Life Beyond Numbers' philosophy. This philosophy extends beyond traditional benefits to encompass preventive care, mental resilience, and active lifestyles.

Key focus areas

- Mental wellness and mindfulness programs
- FitCap health and fitness ecosystem
- Sports and engagement platforms
- Flexible policies supporting work-life harmony

Rewards and Ownership

Our rewards framework aligns individual performance with long-term organisational success through a balanced mix of fixed, variable and stock-based incentives. This ensures a strong connection between contribution and value creation. Through ESOPs, we foster a strong culture of ownership, enabling our employees to participate in and benefit from the Company's long-term growth journey.

Key focus areas

- ESOP-led ownership model
- Tax-efficient compensation structures
- Enhanced benefits framework

Digital HR and People Analytics

We are continuously transforming our HR function through technology and data, enabling more efficient and insight-driven workforce management. Automation of routine processes allows greater focus on strategic priorities such as leadership development and organisational design. Our investments in people analytics provide real-time visibility into workforce trends, supporting informed and forward-looking decisions.

Key focus areas

- AI-powered HR bot
- Real-time HR dashboards
- Predictive analytics for attrition and skills

Global Workforce Management

We manage a global, multi-market workforce through digital collaboration platforms, regional HR partnerships, and cross-border mobility initiatives through knowledge sharing and capability development — balancing consistent people practices with local cultural and regulatory nuances.

Key focus areas

- Centralised collaboration platforms
- Regional HR alignment
- Cross-border mobility

HR Transformation for Future Growth

Our HR function is evolving into a strategic enabler of business success. By embedding HR within business functions, we are strengthening alignment between people strategies and business outcomes. As we drive both retention and long-term growth, we ensure we remain agile in this evolving operating landscape.

Key focus areas

- Business partnership model
- Leadership and succession planning
- Data-driven workforce planning

capillary
Life Beyond Numbers

Nurturing the Whole Person

True excellence emerges when people thrive both personally and professionally. Life Beyond Numbers (LBN) is our commitment to cultivating wellbeing across every dimension of life - because our greatest asset is the human potential that comprises our teams.

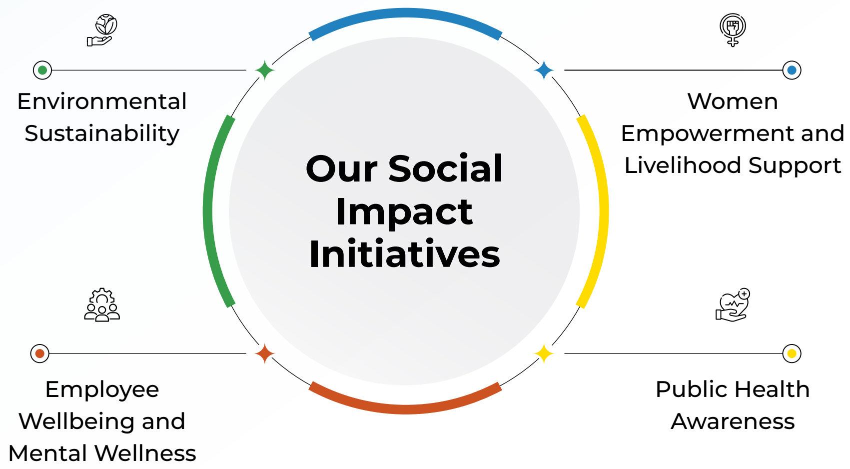
Our Purpose

Capillary Technologies exists to help businesses have delighted customers and help our team lead meaningful lives.

A core pillar of our manifesto is Life Beyond Numbers: Building a conscious workplace that supports the holistic development of every employee, both as individuals and in community.

Corporate Social Responsibility

We believe that meaningful impact is created through thoughtful initiatives that support communities, promote wellbeing and contribute to a more inclusive and sustainable future. Our social impact efforts are guided by a people-centric approach, focused on environmental sustainability, community wellbeing, public health awareness and employee wellness. Through collaborations with trusted partners and purpose-led initiatives, we continue to create positive and lasting value across the communities and ecosystems we engage with.



Key Initiatives During The Year

Environmental Sustainability

As part of Captivate 2025, we partnered with SankalpTaru to plant over 1,500 trees, replacing conventional award mementos with meaningful tree plantation initiatives. This initiative contributed towards reforestation efforts while reinforcing environmentally conscious practices across our stakeholder ecosystem.

Public Health Awareness

In the US, we supported a cancer awareness marathon aimed at strengthening public health advocacy and encouraging broader community participation around an important social cause. The initiative contributed towards amplifying awareness and engagement on preventive healthcare and wellness.

Supporting Community Livelihoods

To promote women-led livelihoods and responsible sourcing, we partnered with Purkal Stree, a women's self-help group based in the Himalayas, for handcrafted corporate gifting solutions. Through the procurement of artisanal diaries, the initiative supported income generation opportunities for local women artisans and encouraged sustainable community enterprise.

Employee Wellbeing

Our ongoing 'Life Beyond Numbers' program continued to support the mental and physical wellbeing of employees through structured wellness sessions and engagement initiatives accessible across the organisation. The program reflects our focus on promoting a healthy, inclusive and supportive workplace culture.

Monitoring and Impact Assessment

Given the voluntary and evolving nature of these initiatives, we currently follow a pragmatic approach towards impact tracking. Progress is monitored through participation metrics, plantation records, procurement volumes and engagement levels shared by partner organisations. As these initiatives continue to scale, we intend to strengthen our impact measurement and reporting mechanisms further.

Key Priorities Ahead

Going forward, we aim to deepen our focus on environmental sustainability, women empowerment, education, public health advocacy and employee wellbeing. The Company also intends to further formalise its partnerships and build more structured frameworks to assess and report the long-term impact of its community initiatives.

Governance, Risk and Compliance

Our governance framework is anchored in rigorous oversight, transparent processes and a steadfast commitment to ethical conduct, enabling effective decision-making and regulatory compliance. It is reinforced by an experienced Board, structured policies and technology-led systems, which together enhance accountability, strengthen stakeholder confidence and support sustainable growth.

Governance Framework

01

Standardisation and Automation

Critical business decisions are supported by real-time dashboards and advanced analytics, enabling consistent, data-driven execution and improved operational efficiency across functions.

02

Continuous Feedback Loops

Structured internal and customer feedback mechanisms are embedded across functions, allowing us to refine products, strengthen engineering processes and respond swiftly.

03

Process Audits and Certifications

Periodic third-party audits, combined with adherence to globally recognised standards, reinforce our commitment to quality, compliance and information security, while driving continuous process improvements and operational discipline.

Our Corporate Governance Philosophy

Our approach to corporate governance is grounded in a robust and well-defined framework of principles, policies and practices that guide the effective management and oversight of our operations. It supports the achievement of organisational objectives while fostering transparent, balanced and accountable relationships among all stakeholders, including the Board and shareholders. We remain steadfast in our commitment to the highest standards of transparency, accountability and ethical conduct across all aspects of our business.

- Promoting investor confidence through transparent and responsible governance practices
- Safeguarding shareholders' rights and ensuring equitable treatment of all stakeholders
- Ensuring full compliance with applicable laws and regulations in both letter and spirit
- Adopting leading governance practices that extend beyond statutory requirements
- Maintaining rigorous adherence to legal and regulatory frameworks across all operating geographies

Composition of Directors

No. of Directors

Composition of Directors

- Independent — 4
- Executive — 2

Our Committees

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

16.67%
Women representation in board

89.8%
Average attendance in board meeting

66.67%
Independent board of directors

Our Policies

Code Of Conduct and Ethical Practices

- Anti-Bribery and Anti-Corruption Policy
- Vigil Mechanism Policy
- Fraud Prevention Policy
- Code of Conduct for Board and SMP
- Insider trading prohibition code

Board Governance and Leadership

- Nomination and Remuneration Policy
- Policy on Diversity of Board of Directors
- Policy on Familiarisation Programmes for Independent Directors
- Policy on Criteria for Payment to Non-Executive Directors
- Succession Policy for the Board and Senior Management

Risk Management and Compliance

- Risk Management Policy
- Policy for Determining and Reporting of Material Events
- Materiality Policy
- Policy for Determining Material Subsidiaries

Financial and Shareholder Matters

- Dividend Distribution Policy
- Policy on Materiality of and Dealing with Related Party Transactions

Esg and Sustainability

- Environmental, Social and Governance Policy
- Business Responsibility Policy
- Corporate Social Responsibility Policy

Workplace and Employee Welfare

- Policy on Prevention of Sexual Harassment in the Workplace

Information Management and Disclosure

- Policy on Preservation of Documents and Archival Policy

Risk Management

01

Identification of key internal and external risks, including financial, operational, sectoral, sustainability (environmental, social and governance), information and cybersecurity risks

02

Implementation of mitigation measures supported by robust systems and internal control processes

03

Business continuity planning to ensure operational resilience and preparedness for unforeseen events

Board of Directors

Aneesh Reddy Boddu

[DIN: 02214511]
Founder, Managing Director and CEO

Aneesh holds a Bachelor's degree in Manufacturing Science and Engineering from the Indian Institute of Technology, Kharagpur. During his tenure at the IIT, he co-founded the 'Entrepreneurship Cell' and was awarded the 'Distinguished Alumnus Award' by the institute in 2017.

In 2014, he was recognised by the Fortune India magazine as one of the '40 under 40 – India's Brightest Young Business Minds' followed by another recognition by The Economic Times under the 'ET 40 under Forty' list in 2017. He was previously associated with ITC Limited.

Anant Choubey

[DIN: 06536413]
Whole-time Director, CFO and COO

Anant holds a Bachelor's degree in Industrial Engineering from the Indian Institute of Technology, Kharagpur. He was previously associated with Procter & Gamble Home Products Private Limited where, in 2008, he was awarded the 'Special Appreciation Award' and was also one of the youngest employees to receive recognition shares from the company.

Neelam Dhawan

[DIN: 00871445]
Chairperson & Independent Director

Ms. Neelam Dhawan is a Chairperson and Independent Director on the Board of Capillary Technologies India Limited. Ms. Dhawan has vast experience in the information technology industry and, since 1982, has held various positions, including that of Managing Director, across HCL, IBM, Microsoft, and Hewlett Packard. Her last executive assignment was as Vice President of Asia Pacific and Japan for Hewlett Packard Enterprise until March 2018.
Ms. Dhawan has been a key participant in shaping the IT industry in India. She was on the NASSCOM Executive Council from 2009 to 2017 and significantly contributed to the industry strategy and public policy frameworks. She is passionate about encouraging Diversity at Work and Women in Technology. She has been working on various initiatives to encourage STEM education for girls.
She is currently an Independent Director at Capita PLC, Tech Mahindra Limited, Fractal Analytics Limited, Ather Energy Limited, Delhivery Limited, and Hindustan Unilever Limited. She also serves on the Board of the Data Security Council of India. She was on the Supervisory Board of Royal Philips, Netherlands (2012 to 2022) and the Head of IBM India Advisory Board from December 2018 to August 2020.
Ms. Dhawan is an Economics Graduate from St Stephen's College, Delhi University. She also has an MBA degree from the Faculty of Management Studies, University of Delhi, India.

Farid Lalji Kazani

[DIN: 06914620]
Independent Director

Farid holds a Bachelor's degree in Commerce from the University of Mumbai. He is also a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India.
He has been bestowed with several accolades including 'India CFO Award for Excellence in Mergers and Acquisitions by IMA India in 2016, the 'Best Digital Transformation Critical Finance Expert' award by Acquisitions International magazine at the 2019 Global CFO Excellence Awards and recognition by 9.9 Media in the 'CFO100 Roll of Honour' for the years 2013, 2015, 2016, 2017, 2018 and 2019 respectively.

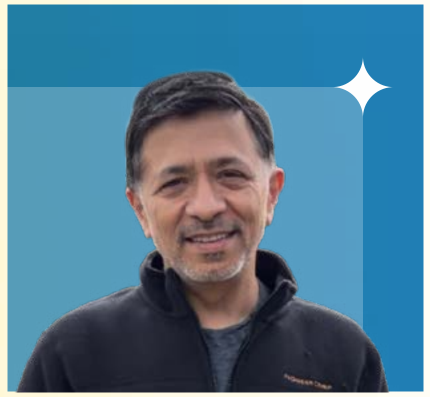
He was previously associated with Majesco Limited in the capacity of Managing Director, with RPG Enterprises Limited in the capacity of Vice-President (Corporate Finance), with BPL Mobile Communications Limited as their Head, Corporate Finance and with Firstsource Solutions Limited in the capacity of Chief Financial Officer (India).
He is currently working as the Executive Vice-President of Course5 Intelligence Private Limited.

Venkat Ramana Tadanki

[DIN: 00149481]
Independent Director

Venkat holds a Bachelor's degree in Economics (Honors) from St. Stephen's College, the University of Delhi and a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta. He has held senior positions in ITC Ltd, Pepsico India and Fortune Tobacco in the United States.

Venkat was also a Founder Director at Daksh and Secova, and has been an active angel investor since 2009, both personally and through his firm Anvaya Ventures, Inc. He is also a charter member of TiE SoCal, Southern California.



Peeyush Ranjan

[DIN: 11069839]
Independent Director

Peeyush holds a Bachelor's of Technology (Honours) degree in Computer Science and Engineering from Indian Institute of Technology, Kharagpur, a Masters of Science degree from Purdue University and a Masters of Business Administration degree from the University of Washington. He has over 18 years of experience in various areas including software technology and artificial intelligence. He also currently serves on the board of Airship AI Holdings, Inc. He was previously associated with Google Inc., Airbnb, Inc., and Flipkart Internet Private Limited, serving in various roles.

● Chairman ■ Member

■ Audit Committee
■ Nomination and Remuneration Committee
■ Stakeholder Relationship Committee
■ Risk Management Committee
■ Corporate Social Responsibility Committee

Corporate Information

Board of Directors

Aneesh Reddy Boddu
Founder, Managing Director and
Chief Executive Officer

Anant Choubey
Whole time Director,
Chief Financial Officer and Chief Operating Officer

Neelam Dhawan
Chairperson and Independent Director

Farid Lalji Kazani
Independent Director

Venkat Ramana Tadanki
Independent Director

Peeyush Ranjan
Independent Director

Registered & Corporate Office
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout , Bengaluru South,
Karnataka, India, 560102

Bankers
HDFC Bank Limited
HSBC Limited
Kotak Mahindra Bank Limited

Website
www.capillarytech.com

Statutory Auditors
Walker Chandiok & Co LLP

Secretarial auditors
BMP & Co LLP

Internal auditors
Protiviti India Member Private Limited

Committees of the Board

Audit
Farid Lalji Kazani - Chairman
Anant Choubey
Neelam Dhawan
Venkat Ramana Tadanki

Corporate Social Responsibility
Peeyush Ranjan -Chairman
Anant Choubey
Venkat Ramana Tadanki

Risk Management
Neelam Dhawan-Chairperson
Anant Choubey
Peeyush Ranjan

Nomination and Remuneration
Venkat Ramana Tadanki-Chairman
Neelam Dhawan
Farid Lalji Kazani

Stakeholder’s Relationship
Neelam Dhawan-Chairperson
Aneesh Reddy Boddu
Farid Lalji Kazani

Board Report

To,
The Members
Capillary Technologies India Limited

Your Directors have pleasure in presenting the 14th Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2026.

1. FINANCIAL PERFORMANCE

On a consolidated basis, your Company's revenue increased to ₹ 7,345.99 mn for the current year as against ₹ 5,982.59 mn in the previous year. Your Company's net profit is ₹ 523.88 mn for the current year as against the net profit of ₹ 132.80 mn in the previous year. On a standalone basis, your Company's revenue increased to ₹ 2,118.90 mn for the current year as against ₹ 1,740.91 mn in the previous year. Your Company's net profit is ₹ 28.90 mn in the current year as against the net profit of ₹ 35.06 mn in the previous year.

₹ in Million

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	2,118.90	1,740.91	7,345.99	5,982.59
Other Income	105.78	122.37	137.34	136.10
Total Income	2224.68	1863.28	7483.33	6118.69
Total Expenditure	2,195.78	1,828.22	7,221.83	6,011.87
Profit /(Loss) Before Tax & exceptional items from Continuing Operations	28.90	35.06	261.50	106.82
Total Exceptional Item	-	-	(249.60)	-
Total Tax Expenses	-	-	(12.78)	(34.72)
Profit /(Loss) After Tax from continuing operations (A)	28.90	35.06	523.88	141.54
Profit /(Loss) After Tax from discontinued operations (B)	-	-	-	(8.74)
Profit/(Loss) for the year (A+B)	28.90	35.06	523.88	132.80
Other comprehensive income for the year	(1.19)	(4.24)	565.78	68.50
Total comprehensive income/(Loss) for the year	27.71	30.82	1,089.66	201.30
Balance Carried to Balance Sheet	27.71	30.82	1,089.66	201.30

The operating and financial performance of your Company has been covered in the Management Discussion and Analysis Report and the MD & CEO Message which forms part of the Annual Report.

1.2 Dividend

Your Company does not propose to declare any dividend for financial year 2025-26. The Dividend Distribution Policy is available on the Company's website at https://www.capillarytech.com/wp-content/uploads/2026/04/02.-Dividend-Distribution-Policy.pdf

1.3 Transfer to Reserves

During the year under review, the Company has not transferred any amount to reserves.

1.4 State of company's affairs

During FY 2025–26, the Company successfully completed its Initial Public Offering ("IPO") and its Equity Shares were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") on November 21, 2025.

The IPO comprised a fresh issue of Equity Shares aggregating to ₹3,450.00 million and an offer for sale aggregating to ₹5,325.01 million, with a total issue size of ₹8,775.01 million. The proceeds from the Fresh Issue are being utilised in accordance with the objects stated in the Prospectus. As on March 31, 2026, unutilised IPO proceeds amounted to ₹3,228.95 million.

Pursuant to Regulation 41(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Crisil Ratings Limited was appointed as the Monitoring Agency to monitor the utilisation of the IPO proceeds. The Company has submitted the requisite quarterly monitoring reports and statements of deviation/variation to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no deviation or variation in the utilisation of the IPO proceeds during the year.

1.5 Change in nature of business

Your Company has not commenced any new business or discontinued/sold or disposed of any of its existing businesses or hived off any segment or division during the financial year 2025-26 under review.

1.6 Material changes and commitments, if any, affecting the financial position of the Company, having occurred since the end of the Year and till the date of the Report

In the opinion of the Board, except Session M acquisiton as mentioned in MD&A, their is no transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which would affect substantially the results, or the operations of your Company for the financial year in respect of which this report is made.

1.7 Details of revision of financial statement or the Report

There were no revisions to the financial statements and the Board's Report of the Company during the year under review.

2. GENERAL INFORMATION

People Practice

In FY 2025–26, the People Practice function at Capillary Technologies continued to evolve as a strategic corporate enabler, working collaboratively across all business units to drive organizational excellence, employee engagement, and operational effectiveness. Aligned with our long-term business objectives, the function played a pivotal role in enhancing people-centric practices, streamlining policies, building leadership capability, and nurturing a culture of continuous development.

One of the key strategic priorities during the year was the streamlining of global human resource ("HR") policies and processes, ensuring consistency and compliance across geographies. These policies underwent a rigorous audit to align with statutory requirements and industry best practices. As part of this effort, we successfully conducted a comprehensive HR Audit across India, the United States, and Europe.

We also transformed the mid-year review process to emphasize development, introducing the "on track / off track" framework. This simplified approach-enabled through our partnership with the xto10x platform-served as a strategic checkpoint to celebrate progress and identify areas for growth.

Significant strides were made in HR tech integration to enable seamless data flows and operational efficiency. Our core HRMS platform, Darwinbox, was successfully integrated with:

- Netsuite (Finance tool) for payroll and cost allocation
- OnGrid for automated background verification and
- Sense for a streamlined onboarding experience

Our HR Shared Services continued to ensure smooth delivery of critical services including payroll administration, benefits management, employee data governance, and resolution of employee queries, all while maintaining service quality benchmarks and compliance.

As part of our ongoing investment in talent and leadership, the year saw the expansion of coaching and development programs:

- Personalized coaching for top talent and JEDI/senior managers, helping leaders align personal growth with organizational priorities.
- First-time manager development program, designed to empower new managers with essential leadership capabilities in communication, delegation, performance management, and conflict resolution.
- Transition coaching for offshore delivery center ("ODC") managers in mysore, following the inauguration of our mysore offshore delivery center, ensured leadership continuity and cultural integration.

Learning & Development

Capillary Academy

Capillary Academy, the Company's dedicated Learning & Development function, continued to serve as the central platform for continuous learning, capability building, and career progression. During FY 2025–26, the Academy significantly scaled both in reach and depth, expanding to 51 structured courses (33 Product, 8 Onboarding, 7 Functional, and 4 Compliance) across product, functional, compliance, and onboarding tracks, with 5,800+ course completions and 800+ active learners across the organization.

Building Capability Through Structured Learning

Product Training:

A key focus during the year was strengthening organizational capability through structured learning pathways. The Academy delivered 100+ hours of expert-led product training sessions, including quarterly Product Training Days covering new product releases, platform upgrades, and evolving use cases. These programs enabled customer-facing and cross-functional teams-including Product Support, Customer Success, Sales, and Presales-to remain current on the Company's evolving product suite.

In addition, monthly Product Bootcamps were conducted to accelerate onboarding and capability building for new employees and teams integrated through acquisitions, ensuring faster readiness through orientation and deep-dive product use-case training.

The Academy also delivered client-specific product training programs for the CS teams and our customers, particularly for key brands in the US, to strengthen customer understanding of the product and enhance self-serve capabilities, thereby improving adoption and ease of use.

To support continuous product evolution and just-in-time learning, the team also developed new micro-modules and bite-sized product feature videos, enabling faster knowledge dissemination and easier access to feature-level training across teams and clients.

aiRA Adoption & Enablement

A strategic priority during the year was driving adoption of the Company's AI capabilities, particularly aiRA. Dedicated enablement programs for aiRA were delivered, especially for the US teams, to embed AI-assisted workflows into daily operations and customer support processes.

Functional Capability Development

Role-based capability development was further strengthened through the launch of the Configuration Specialist Certification (Level 1) program, which achieved 100% completion for relevant new joiners and served as a formal readiness framework for project deployment, supported by managerial certification. Role-specific learning pathways were also progressively extended to the CS-Hub and IM teams.

The new joiner orientation program was further streamlined to include a structured first 30-day learning pathway for employees in the Mysore office.

The Security Awareness Module was updated in line with Hi-Trust audit standards, and new POSH modules were curated and launched for employees in India.

In addition, a Train-the-Trainer (TTT) facilitation skills workshop was introduced for interns within the team to strengthen internal training capabilities.

CapTube & Content Innovation

The Academy continued to strengthen its learning delivery ecosystem through CapTube, its internal video learning platform, which expanded to 10+ channels and 100+ content uploads. Additional initiatives such as AI voice cloning for scalable content production and Doc-Bot integration for improved knowledge discoverability further enhanced just-in-time learning access.

Global Culture Connect Program - Key Highlight of FY 2025–26

A major highlight of the year was the launch of the Company's first Global Culture Connect Program, a cross-cultural capability-building initiative designed to strengthen collaboration across geographies by building awareness of differences in communication styles, decision-making approaches, and workplace expectations.

In the last 2 quarters, the program trained 20-25% of employees across India and the US covering 8 teams, and delivered strong outcomes with an overall satisfaction score of 4.59/5, confidence uplift of 16.4%, and an NPS score of 82.05, reflecting global participant advocacy. The EU rollout is planned as the next phase of the program.

In addition, Kannada Kalisona, an in-house Kannada speaking workshop for non-Kannada speakers, was launched to support workplace inclusion and cultural integration across teams both in Bengaluru and Mysore offices.

3. CAPITAL AND DEBT STRUCTURE

3.1 Issue of shares or other convertible securities

During the financial year under review, following are the changes:

a. Change in the authorized, issued, subscribed and paid-up share capital

(i) Authorised Capital (₹ millions)

During the year under review, there is no change in the Authorised Capital of the Company. The Authorised share capital of the Company is as given below:

Date of modification	Equity share Capital	Preference share Capital	Unclassified Capital	Total Authorised Capital
Original Share Capital at the time of Incorporation				
	1.00	0/-	0/-	1.00
Subsequent Modifications				
May 04, 2012	19.00	0/-	0/-	19.00
March 27, 2015	25.00	0/-	0/-	25.00
August 19, 2021	110.00	0/-	0/-	110.00
September 29, 2021	110.00	1.00	0/-	110.00
November 24, 2021	150.00	1.00	0/-	151.00
March 8, 2024	250.00	1.00	0/-	251.00

(ii) Issued, Subscribed and paid up share capital.

During the financial year, the issued, subscribed and paid-up share capital of the Company has changed from ₹ 146.65 to ₹ 158.81 details of which are given below:

Equity Share capital

Date of Allotment	Nature of Allotment	Number of equity shares allotted	Face value per share(₹)	Issue Price per equity share (₹)	Nature of consideration
November 19, 2025	Public Issue	38,095	2	525	Cash/-
		59,44,540	2	577	
March 12, 2026	ESOP	95,530	2	2	Cash/-

b. Reclassification or Subdivision of the authorised share capital.

During the financial year under review, the Company has not undertaken any reclassification or sub-division of the authorised capital in terms of Companies Act, 2013.

c. **Reduction of share capital or buy back of shares**

The Company has not reduced nor bought back any shares.

d. **Change in capital structure resulting from restructuring**

There is no change in the capital structure resulting from restructuring.

e. **Change in voting rights**

There is no change in the voting rights.

3.2 Issue of equity shares with differential voting rights and sweat equity shares

During the financial year under review, the Company has neither issued equity shares with differential voting rights nor issued sweat equity shares in terms of Companies Act, 2013.

3.3 Details of employee stock options

The NRC administers and monitors the Company's ESOP in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. During the year, 18,86,372 stock options were granted to eligible employees under the said ESOP. Disclosures as required under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 is available on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/07/ESOP-Disclosure.pdf

The certificate from the Secretarial Auditors that the ESOP has been implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolutions passed by the shareholders shall be available at the Annual General Meeting for inspection by the members.

3.4 Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees

During the financial year under review, the Company has not held any shares in trust for the benefit of employees where the voting rights are not exercised directly by the employees

3.5 Issue of Debentures, warrants, bonds or any non-convertible securities

During the financial year under review , the company has not issued and allotted any debentures, warrants, bonds or any non-convertible securities.

4. CREDIT RATING OF SECURITIES

During the financial year under review, your Company has neither obtained nor revised any credit rating in respect of securities.

5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year under review, disclosure pursuant to Investor Education and Protection Fund under sub-section (2) of section 125 of the Act and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 are not applicable to your Company.

6. MANAGEMENT

6.1 Directors and Key Managerial Personnel

As on the date of this report, the Company has Six (6) directors consisting of four (4) Independent directors and two (2) Executive directors. The composition of the Board is in conformity with Section 149 and 152 of the Act.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as independent directors in more than seven listed entities; and

- who are the Executive Directors serves as independent directors in more than three listed entities.
- are related to each other.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2026 have been made by the Directors.

The Key Managerial Personnel of the Company as on March 31, 2026 are:

Sr. no	Name	Designation
01.	Mr. Aneesh Reddy Boddu	Managing Director and CEO
02.	Mr. Anant Choubey	Whole time Director, Chief Finance Officer and Chief Operating Officer
03.	Mrs. G Bhargavi Reddy	Company Secretary and Compliance officer

a. Disqualification of Directors

None of the directors of the Company are disqualified pursuant to the provisions of Section 164 of Companies Act, 2013 or debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority.

b. Appointment / Resignation from Board of Directors

During the financial year under review, the following changes took place in the composition of the Board of Directors of the Company:

Mrs. Yamini Preethi Natti (DIN: 06533367) resigned from the position of Independent Director of the Company with effect from May 07, 2025.

Mr. Peeyush Ranjan (DIN: 11069839) was appointed as an Independent Director of the Company with effect from May 07, 2025.

Due to the changes in the composition of the Board of Directors, the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Risk Management Committee were reconstituted with effect from May 23, 2025, as follows:

a. Nomination and Remuneration Committee:

- Mr. Venkat Ramana Tadanki - Chairman
- Mrs. Neelam Dhawan - Member
- Mr. Farid Lalji Kazani - Member

b. Corporate Social Responsibility Committee:

- Mr. Peeyush Ranjan - Chairman
- Mr. Anant Choubey - Member
- Mr. Venkat Ramana Tadanki - Member

c. Risk Management Committee:

- Mrs. Neelam Dhawan - Chairperson
- Mr. Anant Choubey - Member
- Mr. Peeyush Ranjan - Member

The details with respect to the composition, numbers of meetings, attendance, powers, roles, terms of reference, etc. of the aforesaid committees are given in detail in the “Report on Corporate Governance” of the Company which forms part of this Report.

c. Directors retiring by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Section 149 of the said Act, at least 2/3rd of the total number of Directors, excluding Independent Directors, shall be liable to retire by rotation and out of the Directors liable to retire by rotation, at least 1/3rd of the Directors shall retire by rotation at every Annual General Meeting.

In view of the above, Mr. Aneesh Reddy Boddu (DIN-02214511), who has been longest in office since his appointment, who is liable to retire by rotation and being eligible, offers himself for re-appointment, a resolution seeking shareholders’ approval for his re-appointment forms part of the notice. The Board recommends his re-appointment to the shareholders of the Company.

d. Declaration by Independent Director.

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

- Further, Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

- The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, product, engineering, sales and marketing developments and any other significant matters of importance. The details of the Familiarization programmes provided by the Company is available on the Company's Website at https://www.capillarytech.com/wp-content/uploads/2026/03/Policy-on-Familiarisation-Programmes-for-IDs.pdf

  Further the Company issues a formal letter of appointment to the Independent Directors, outlining their role, function, duties and responsibilities, the format of which is available on the Company's Website at https://www.capillarytech.com/wp-content/uploads/2026/02/Terms-and-Conditions-for-appointment-of-ID.pdf

- During the year under review and as on date of this report

  Except for payment of professional fee to M/s. Amir Advisory Services LLP (where Mr. Farid Lalji Kazani- Independent Director and his daughter are partners of the said LLP) for availing advisory services, the Company did not have any pecuniary relationship or transactions with any of its Directors, other payment of sitting fees to Independent Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

  With the approval of the Audit Committee and Board of Directors the said advisory agreement was executed on May 27, 2025 with one year tenure for providing advisory services on financial related matters and the same expired on May 26, 2026.

  - In the opinion of the Board, all the independent directors appointed during the year are persons of integrity, possess relevant expertise and experience (including the proficiency).

- As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as on date of this report the details of Independent Directors, pertaining to the online proficiency Self-Assessment test conducted by IICA are as below.

Sr. no	Name	Designation	Date of registration	Online proficiency Self-Assessment test exemption status	Status of online proficiency test
1	Mrs. Neelam Dhawan	Chairperson (Independent Director)	February 19, 2020	Exempted	-
2	Mr. Farid Lalji Kazani	Independent Director	February 21, 2020	Exempted	-
3	Mr. Venkat Ramana Tadanki	Independent Director	October 18, 2021	Not-Exempted	Passed
4	Mr. Peeyush Ranjan	Independent Director	April 27, 2025	Not Exempted	Not yet

e. Women Director

In terms of the provisions of Section 149 of the Companies Act, 2013, your Company has complied with the requirement of having at least one Independent Woman Director on the Board of the Company. Mrs. Neelam Dhawan (00871445) is serving as a Chairperson and Independent Woman Director.

f. Changes in KMP

During the year under review and as on date of this report, there was no change in KMPs.

6.2 Board Meetings and attendance

Fifteen Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. Please refer to Corporate Governance Report for the details of Board Meetings.

6.3 Corporate Governance

A separate Report on Corporate Governance, together with a Certificate from the Secretarial Auditor confirming compliance with the Corporate Governance requirements under the Listing Regulations, forms part of this Integrated Annual Report. A Certificate from the CEO and CFO, issued in accordance with the Listing Regulations and confirming, inter alia, the accuracy of the financial statements and cash flow statements, adequacy of internal controls and the reporting of significant matters to the Audit Committee, is also annexed.

6.4 Non-acceptance of any recommendation of any Committee of the Board which is mandatorily required

The Board of Directors have taken all the recommendations of the various Committees of the Board as statutorily prescribed.

6.5 Company's Policy on Directors' appointment and remuneration

In compliance with Section 178 of the Companies Act 2013 , the Board has formulated a 'Nomination and Remuneration Policy' on Directors' appointment and remuneration including recommendation on remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a director.

The Policy is available on the Investors section of the website of your Company at https://www.capillarytech.com/wp-content/uploads/2025/11/Nomination-and-Remuneration-Policy_Updated_16.10.2025.pdf

6.6 Board Evaluation

In compliance with the provisions of Section 178 read with Section 134(3)(p) of the Act and Regulation 19 read with Schedule II, Part D of the SEBI Listing Regulations, the NRC has formulated a detailed criteria for evaluation of performance of the Directors including Independent Directors, the Board and its Committees, as part of the Governance Policies for the Board of Directors, the NRC, KMP & Senior Management appointments, remuneration & evaluation ("Governance Policy") adopted by the Board.

The annual performance evaluation is initiated by the NRC chairperson by way of deployment of a structured questionnaire covering various aspects of the Board's and its Committees' functioning and effectiveness and individual members contributions including knowledge of business, contribution to discussion and strategy, concern for stakeholders, quantity and timeliness of the information flow between the Board Members and the Management, Board composition and Member participation, quality and transparency of discussions, time devoted by the Board to strategy, Board Culture, Execution and Performance of Specific Duties, Obligations and Governance etc. based on the criteria approved by the NRC. The evaluators are also encouraged to provide qualitative feedback and comments as part of the evaluation.

Outcome and results of evaluation for all Directors of the Company as on March 31, 2026 participated in the evaluation process. The Directors expressed their satisfaction on the parameters of evaluation, the implementation and compliance of the evaluation exercise and the outcome of the evaluation process. The outcome of the evaluation was presented to the Board, the Committees, at their respective meetings held on 06th February, 2026 for assessment and development of plans/ suggestive measures to address action points that arise from the outcome of the evaluation. The overall feedback and outcome of the evaluation was positive from all the Members. Suggestions provided to enhance the Board's effectiveness have been noted and taken up for implementation.

6.7 Remuneration of Directors and Key Managerial Personnel

The information required pursuant to provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. The percentage increase in the remuneration of Directors, Key Managerial Personnel

("KMP") during the financial year 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 are as under:

Sr. No.	Name of Director/KMP	Designation	Percentage of increase/ (decrease) in remuneration (including ESOPs) during FY 2025-26	Percentage of increase/ (decrease) in remuneration (excluding ESOPs) during FY 2025-26	Ratio of remuneration (including ESOPs) of each Director to Median remuneration of Employees
1.	Neelam Dhawan	Chairperson, Independent Director	145.45%	145.45%	1.72
2.	Aneesh Reddy Boddu	MD, CEO & KMP	5.54%	5.54%	10.98
3.	Anant Choubey	WtD, CFO, COO & KMP	206.36%	6.04%	25.30
4.	Farid Lalji Kazani	Independent Director	275.00%	275.00%	1.91
5.	Venkat Ramana Tadanki	Independent Director	200.00%	200.00%	1.72
6.	Peeyush Ranjan	Independent Director	Refer note ii.	Refer note ii.	Refer note ii.
7.	Gireddy Bhargavi Reddy	Company Secretary & Compliance Officer & KMP	28.90%	28.96%	4.59

***Notes:**

i. The remuneration of Independent Directors comprises of commission paid for the financial year 2025-26;

ii. Mr. Peeyush Ranjan was associated for part of the financial year 2025-26, i.e. from May 07, 2025 to March 31, 2026. Hence, the percentage increase in remuneration is not comparable/reported. Since associated for a part of the financial year 2025-26, the percentage increase in remuneration is not comparable and hence not reported.

B. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26:

The median remuneration of permanent employees of the Company during the financial year under review was ₹1.566526 million, and the ratio of remuneration of each Director to the median remuneration of the employees of the Company is provided in the table above.

C. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2025-26:

As provided in the table above.

D. Percentage increase in the median remuneration of employees in the financial year 2025-26:

There was an increase of 12.461 % in the median remuneration of employees in the financial year 2025-26.

E. Number of permanent employees on the rolls of the Company:

There were 689 permanent employees on the rolls of the Company as on March 31, 2026.

F. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for an increase in the managerial remuneration:

The average increase in the salaries of employees other than Key Managerial Personnel (KMP) during the financial year was 10.19%.

The average increase in the remuneration of Key Managerial Personnel (KMP) during the same period was 11.67%.

The increase in KMP remuneration was marginally higher than the average increase in employee salaries. There were no exceptional circumstances warranting the increase in managerial remuneration during the financial year.

G. Key parameters for any variable component of remuneration availed by the directors;

The key parameters for the variable component of remuneration availed by the directors and Key Managerial Personnel are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees. It is based on entity's performance as well as individual performance.

H. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid for the financial year 2025-26 is as per the Company's Governance Policy for remuneration of Directors, Key Managerial Personnel and other employees.

6.8 Remuneration received by Managing/Whole time Director from holding or Subsidiary Company

No managing or whole-time director of the Company is in receipt of any remunerations/commission from holding Company or its subsidiaries.

6.9 Particulars of Employees and Related Disclosures

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been disclosed under point 6.7 Remuneration of Directors and Key Managerial Personnel.

The Particulars of top ten employees in terms of remuneration drawn as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be provided to the shareholders on request.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to secretarial@capillarytech.com

6.10 Director's Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, confirm that:

A. in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

B. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for that period;

C. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

D. the Directors have prepared the annual accounts on a going concern basis;

E. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and

F. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6.11 Internal financial controls and its adequacy:

The Company's internal financial control systems are commensurate with its size and nature of its operations and such internal financial controls are adequate and are operating effectively. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of the business. These controls have been designed to provide reasonable assurance regarding recording and providing reliable financial and operational information, adherence to the Company's policies, safeguarding of assets from unauthorized use & prevention and detection of frauds & errors, the accuracy & completeness of the accounting records, and the timely preparation of reliable financial disclosures.

6.12 Quality Management System

Quality Policy

At Capillary, our mission is to consistently drive customer success by delivering excellence in products and services. We are committed to continuous improvement across our systems and processes, ensuring consistent return on investment for our clients.

Our quality strategy is rooted in customer feedback, evolving business needs, emerging technologies, and performance analysis. We continually evaluate and adapt our practices to ensure relevance and excellence in a rapidly changing market landscape.

Capillary's quality framework is based on globally recognized standards and industry-leading practices. We maintain ISO 27001:2022, PCI DSS 4.0.1 certifications, and are annually assessed for SOC 2 Type 2 and SOC 1 Type 2 standards.

These accreditations guide our policies for SaaS product security, platform integrity, and corporate information infrastructure protection.

Engineering Excellence & Product Quality

Engineering is at the core of our value creation. Our teams are structured for agility, innovation, and resilience, enabling us to solve complex problems through modern technology stacks and collaborative practices.

Core Engineering Practices

- **Agile and Scrum Methodologies:**

  Delivering high-quality features iteratively, with customer-centric alignment at every stage.
- **Continuous Integration & Delivery:**

  Automation-first pipelines ensure reliable deployments and faster time-to-market with reduced human errors.
- **Cloud-Native Architecture:**

  Highly scalable and performant systems built on microservices and Kubernetes enable rapid deployment, observability, and efficient resource use.
- **Test-Driven Development (TDD):**

  Unit and integration tests are embedded into our development process, ensuring fast feedback cycles and high-quality releases.
- **Observability & Monitoring:**

  Every release includes application and infrastructure metrics, logs, and alerts to proactively detect and resolve issues.
- **DevOps and Site Reliability Engineering (SRE):**

  We integrate reliability practices such as SLIs/SLOs, chaos testing, and automated failover to ensure uptime and resilience.
- **Security by Design:**

  We adopt shift-left secure SDLC practises that ensures secure coding practises, vulnerability scanning, and rigorous testing to deliver a secure product from Day One.
- **Automation-Driven Quality Gates:**

  Automated functional test suites are executed across environments, including post-release automation runs. Our sanity and smoke test suites run on production, and failures immediately trigger alerts to ensure swift issue detection. This proactive approach enables faster incident response, reinforces change management, and ensures release stability and customer confidence.
- **Root Cause Analysis (RCA):**

  Focused effort on understanding the cause of failure, identifying gaps and areas of improvement, while learning from mistakes, is part of the engineering culture. We resolve systemic issues quickly and prevent recurrences by properly planning the permanent fix.

Process Governance & Continuous Improvement

We maintain a technology-led governance framework that emphasizes:

- **Standardization & Automation:**

  All critical decisions are backed by real-time dashboards and data-driven insights.
- **Feedback Loops:**

  Continuous internal and customer feedback mechanisms help evolve our products and engineering processes dynamically.
- **Process Audits & Certifications:**

  Regular third-party audits ensure compliance with international standards and reinforce our commitment to quality and security.

Customer Experience & NPS

Customer satisfaction is a board-level metric at Capillary. We run quarterly Net Promoter Score (NPS) surveys across engineering, product, and customer success functions.

NPS results are used to:

- Uncover improvement areas and prioritize them in OKRs.
- Enable cross-functional efforts to resolve pain points.
- Track trends and drive consistent enhancements in customer experience.

A systematic approach to analyzing feedback ensures our customers consistently see value and trust in our solutions.

Delivery Methodology & Program Management

Our project delivery is anchored in Agile frameworks and mature program management practices:

- **Project Management:**

  Provide transparency to internal and external stakeholders, including real-time tracking of milestones and risk flags.
- **Customer-Centric Onboarding:**

  From kickoff, clients are integrated into the planning and execution phases to maximize value realization from Day 1.
- **Change Management & Risk Mitigation:**

  Our playbooks include proactive change control and contingency planning to manage uncertainties during implementations.
- **Our Quality Management System showcases:**
  - Proven process maturity and product stability.

- Robust security and compliance posture.
- Scalable engineering and delivery models.
- Strong customer satisfaction metrics and governance.

These form a critical part of our risk mitigation and operational excellence.

6.13 Frauds reported by auditor

During the financial year under review, pursuant to provisions of the Section 143(12) of the Companies Act, 2013, the Auditor has not reported any incident of fraud to the Audit, Risk Management Committee.

Your Company has adopted Fraud Prevention Policy. The Policy is available on the Investor Relations section of the website of your Company at https://www.capillarytech.com/wp-content/uploads/2022/11/Fraud-Prevention-Policy.pdf

6.14 Adoption and review of policies

The Company has adopted the policies and codes required under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These policies are reviewed periodically by the Board and/or the respective Committees and are available on the Company's website.

6.15 Report on Corporate Governance

The Report on Corporate Governance of your Company forms a part of the Annual Report.

7. DISCLOSURES RELATING TO HOLDING, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on March 31, 2026, Capillary Technologies International Pte. Ltd. ('CTIPL') which holds 39.47 million equity shares together with its nominee, representing 49.70% of the issued, subscribed and paid-up equity share capital of our Company, ceased to be a holding company but continues as a promoter

As on March 31, 2026, our Company has 10 (ten) wholly owned subsidiaries including 1 (one) direct and 9 (nine) step down subsidiaries outside India.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 as provided in **Annexure I** is attached to this report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, and consolidated financial statements, are available on the Company's website at https://www.capillarytech.com/investors/finances-and-reports/annual-reports/. The financial statements, together with related information and other reports of each of the subsidiary companies are available on the Company's website at https://www.capillarytech.com/investors/finances-and-reports/annual-account-of-subsidiaries/

8. DETAILS OF DEPOSITS

During the year, your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

9. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENT

Pursuant to Section 186 of the Companies Act, 2013 disclosure on particulars relating to loans, advances, guarantees and investments (wherever applicable) are provided as part of the financial statements under note no. 05 .

10. PARTICULARS OF CONTRACT AND ARRANGEMENTS OF RELATED PARTIES

All related party transactions that were entered into during the financial year under review, were on an arm's length basis, and in the ordinary course of business and are in compliance with the applicable provisions of the Act.

There were no materially significant related party transactions made by the Company during the year that required shareholders' approval under Companies Act 2013. All Related Party Transactions are placed before the Audit Committee for approval. Further, prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for these transactions cannot be foreseen in advance.

Accordingly, the disclosure of the particulars of the related party transactions in form AOC -2 as required under Section 134(3) (h) of the Act as provided in **Annexure-II** is attached to this report.

The details of related party transactions as per accounting standards are provided in Note 35 of Notes to Financial Statements (Standalone).

11. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of the Company's commitment towards creating sustainable value for society. The Company believes in actively contributing to the social, economic and environmental development of the communities in which it operates, while ensuring responsible business practices and creating long-term value for all stakeholders. Although the Company has constituted a Corporate Social Responsibility Committee and adopted a CSR Policy, the provisions relating to mandatory CSR expenditure under Section 135 of the Companies Act, 2013 are not applicable to the Company for the financial year under review.

Nevertheless, the Company remains committed to building a sustainable ecosystem and continues to undertake initiatives that positively impact society and the environment. The Company has formulated a CSR Policy in accordance with the provisions of Section 135 of the Companies Act, 2013. The CSR Policy is available on the Company's website at https://www.capillarytech.com/wp-content/uploads/2026/04/13.-Corporate-Social-Responsibility-Policy.pdf

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

The details of the conservation of energy, technology absorption, foreign exchange earnings and outgo, information required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3)of the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy	
(i) the steps taken or impact on conservation of energy;	• Usage of Laptops instead of desktops. • Turning off lights, monitors when not in use. • Turning of AC's when not in use. • Usage of LED lights for all solutions etc
(ii) the steps taken by the Company for utilising alternate sources of energy;	As the Company does not operate any machineries, production facilities etc. the consumption of energy is very low to minimal. Hence the requirement of having alternate sources of energy is not needed.
(iii) the capital investment on energy conservation equipments.	Due to the reasons as stated above in (ii) the Company has not made any capital investment on energy conservation equipments.
B. Technology absorption	
(i) the efforts made towards technology absorption;	During the year under review, the Company continued to invest in the development of proprietary software and technology tools designed to enhance operational efficiency, user experience, and platform capabilities within the enterprise loyalty and engagement domain. The key development initiatives undertaken include: • Enhancement of the **Loyalty+platform** through the introduction of milestone loyalty features, streaks, and badge functionalities. • Advancement of the **Loyalty Promotions configuration module** to enable the setup of complex promotional workflows through a conversational interface leveraging Artificial Intelligence capabilities (currently in progress). • Development of a **Journeys Canvas** module facilitating the creation of A/B testing scenarios. • Implementation of **multiple new data flows** on the Connect+ platform. • Creation of a **Platform Extension Module** to extend API customisation capabilities for enterprise clients. • Introduction of a **User Onboarding Module** to streamline client onboarding processes.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	The above technology absorption efforts have yielded the following measurable benefits: • **Product Improvement:** Continuous enhancement of the product user experience, reflected in an improved product satisfaction score, which serves as a key indicator of customer retention. • **Campaign & Loyalty ROI:** Improved returns on loyalty programme and campaign investments for business users. • **Cost Reduction / Import Substitution:** By developing the aforementioned tools and software internally, the Company has materially reduced its dependence on third-party technology imports, resulting in tangible cost savings and strengthened indigenous capability.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the year under reference) – a) details of the technology imported; b) the year of import; c) whether the technology has been fully absorbed and if not, areas where absorption has not taken place, and the reasons thereof;	Your Company has not imported any technology during the last three years.
(iv) the expenditure incurred on Research and Development. (incl. ESOP)	₹ 1,212 Mn.

C. Foreign exchange earnings and Outgo (₹ in millions)

Particulars	FY 2025-26	FY 2024-25
Inflow	1,603.62	1,252.09
Outflow	20.62	22.60

13. RISK MANAGEMENT

Your Company has a well-defined risk management framework in place. The Board of Directors ("Board") of the Company oversees the development of Risk Management Policy and the establishment, implementation and monitoring of the Company's risk management system, in accordance with the policy. The Risk Management Committee reviews, assesses and formulates the risk management system and policy of our Company from time to time and recommend for amendment or modification thereof, which shall include among others:

- A framework for identification of internal and external risks specifically faced by our Company, in particular including financial, operational, sectorial, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks; and
- Business continuity plan;

The details of the Risk Management Committee are available on Company's website. The Risk Management Policy adopted by the Company is available at https://www.capillarytech.com/wp-content/uploads/2022/11/Risk-Management-Policy.pdf

13.1 Cyber security

As our employees continue to work efficiently in a hybrid environment, we have remained proactive in addressing the evolving cybersecurity threat landscape. In our efforts to maintain a strong cybersecurity posture, our team has stayed informed about global cybersecurity developments, ensuring higher compliance and ongoing security. We are certified under the Information Security Management System (ISMS) Standard ISO 27001:2022 and PCI DSS 4.0.1. Additionally, we have completed the attestation for both SOC 2 and SOC 1 Type 2 through an independent audit firm. Looking ahead, we are focused on achieving HITRUST certification this year.

Throughout the year, we prioritized cybersecurity training, reskilling, and fostering a culture of shared responsibility. We focused on encouraging a shift-left approach and empowering our developer community with specialized courses and resource kits. These efforts were aligned with our broader initiatives to enhance cybersecurity processes, technologies, and overall security posture.

We also enhanced the awareness of our employees through quizzes, privacy day activities, role plays etc.

No reported incident is underway with Regulators.

14. VIGIL MECHANISM

The Company has adopted a Vigil Mechanism Policy to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the standards, codes of conduct or policies adopted by the Company from time to time. The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Vigilance Officer. The Whistle Blower Policy adopted by the Company is available on Website of the Company at https://www.capillarytech.com/wp-content/uploads/2022/11/Vigil-Mechanism-policy.pdf

15. MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS

There are no significant material orders passed by the Regulators, Courts or Tribunals impacting the going concern status of the Company and its operations in future.

16. AUDITORS

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration no. 001076N/N500013), were appointed as the Statutory Auditors of the Company at the AGM held on September 29, 2022 for a term of five consecutive years from the conclusion of 10th Annual General Meeting ("AGM") till the conclusion of 15th AGM of the Company to be held in the year 2027 in accordance with the provisions of Section 139 of the Act.

The Reports given by the Statutory Auditors on the standalone financial statements and the consolidated financial statements of the Company for FY 2025-26 form part of the Annual Report. The Reports do not contain any qualification, reservation or adverse remark or disclaimer by the Statutory Auditors.

17. SECRETARIAL AUDIT

M/s. BMP & Co, LLP, a firm of practicing Company Secretaries ("Secretarial Auditors"), carried out the secretarial audit for FY 2025 in compliance with the Act and the Rules made thereunder, and other applicable regulations as amended and other laws specifically applicable to your Company. The Secretarial Audit Report in form MR-3 for FY 2025-26 is attached to this Report as **Annexure – III**. The said Report does not contain any qualification, reservation or adverse remark or disclaimer by the Secretarial Auditors.

18. COST AND INTERNAL AUDIT

Cost Auditor and Records

The provisions of appointment of Cost Auditor pursuant to section 146 read with Companies (Cost Records and Audit) Rules, 2014 are not applicable to your Company during the financial year 2025-26.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are neither made and nor maintained.

Internal Audit

M/s. Protiviti India Member Private Limited (Independent Internal auditor) was appointed to carry out Internal Audit to ensure the adequacy of the internal control system and adherence to policies and practices. The audit committee regularly reviews the reports submitted by the independent internal auditor and the adequacy and effectiveness of internal controls.

19. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by Institute of Company Secretaries of India ('ICSI'). The Company has also voluntarily adopted & complied with SS-4 (Report on Board of Directors).

20. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

21. FAILURE TO IMPLEMENT ANY CORPORATE ACTION

During the year under review, there were no instances where Company has failed to complete or implement any corporate action within the specified time limit.

22. ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013 read with the rules made thereunder, the Annual Return (Form MGT-7) of the Company has been disclosed on the website of the Company and Web Link thereto is: https://www.capillarytech.com/investors/finances-and-reports/annual-returns/

23. OTHER DISCLOSURES

During the year under review:

a. the consolidated financial statement is also being presented in addition to the standalone financial statement of the Company.

b. the requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable;

c. there has been no change in the nature of business of the Company

d. the Company has not opted for any one-time settlement from the Banks or Financial Institutions.

e. the Company has been compliant with the provisions relating to the Maternity Benefits Act, 1961.

24. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaints pertaining to sexual harassment during the financial year. Also, that no cases were filed, disposed of and pending as on date of this report.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 14th Annual General Meeting of the Company including the Annual Report for FY 2025-26 are being sent to all Members whose e-mail addresses are registered with the Registrar and Share Transfer Agent.

In terms of Environmental responsibility, the Company actively works to minimize its ecological footprint by reducing carbon emissions, conserving energy and water, and adopting environmentally friendly practices.

- Capillary Technologies has a strong focus on sustainability. The company emphasizes environmentally-friendly practices such as reducing energy footprint, encouraging staff to engage in eco-friendly behaviors like using reusable utensils and avoiding plastic, planning social initiatives like tree plantation drives and e-waste reduction, and having Environment and Sustainability management plans in place.

- We, as such, have a minimalistic carbon footprint/emission. Our workspace size is maintained at a requirements level and we strive to ensure optimum usage of power across our office spaces.

- Our solutions are hosted on AWS and we inherit the sustainability measures and efforts undertaken by AWS.
- We work with Recykle, a waste management marketplace to ensure responsible e-waste management practices and plan to be a 100% processed e-waste company by 2025.
- This year, we tied up with another NGO on afforestation. Instead of trophies, we planted trees for speakers through the NGO, SankalpTaru: https://sankalptaru.org/
- Our employee and customer gifting solution is also sourced through local NGOs. Recently we sourced handmade diaries and jute bags from a woman's group in Uttarakhand https://www.purkalstreeshakti.org/
- We undertake many such initiatives with regional NGOs in every country.

  We sourced tote bags from a women-run NGO called Pallaguttapalle Bags and gift hampers from Thenga.

26. ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

Your directors sincerely appreciate all employees of the Company and its subsidiaries for their hard work and commitment.

On behalf of the Board of Directors
For Capillary Technologies India Limited

Sd/-	Sd/-
Aneesh Reddy Boddu	**Anant Choubey**
Managing Director and CEO	Whole time Director, CFO & COO
(DIN: 02214511)	(DIN: 06536413)
Date: 29.05.2026	Date: 29.05.2026
Place: Bengaluru	Place: Bengaluru

Annexure I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part A Subsidiaries (Information in respect of each subsidiary to be presented with amounts in ₹)

Sr.No	Name of the subsidiary	CIN/ Registration No.	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital (in million)	Reserves and surplus (in millions)	Total assets (in millions)	Total Liabilities (in millions)	Investments (in million)	Turnover (in million)	Profit before taxation (in million)	Provision of taxation (in million)	Profit after taxation (in million)	Proposed Dividend (in million)	Extent of shareholding (in percentage)
1	Capillary Pte Ltd., Singapore	202125294W	Aug 30, 2021	NA	SGD 73.02122	2785.10	1517.90	5,709.50	1,406.51	4,340.25	907.37	35.26	35.26	Nil	Nil	100%
2	Capillary Technologies DMCC, UAE	JLT-68482	Nov 22, 2021	NA	AED 25.69341	42.63	(112.92)	292.04	362.33	Nil	349.07	11.58	0.10	11.48	Nil	100%
3	Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	201701025567	Nov 22, 2021	NA	MYR 23.4068	8.68	(98.55)	26.84	116.71	Nil	45.85	0.97	Nil	0.97	Nil	100%
4	PT Capillary Technologies Indonesia, Indonesia	8120000791117	Nov 22, 2021	NA	IDR 0.00555	1.59	(48.93)	35.08	82.42	Nil	36.93	1.11	Nil	1.11	Nil	100%
5	Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited)	3297240	April 1, 2023	NA	GBP 124.2813	40.42	98.50	485.24	346.32	Nil	1132.90	36.86	11.19	27.22	Nil	100%
6	Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc.)	2035794	April 01, 2023	NA	USD 94.35903	NIL	372.00	725.25	353.25	Nil	1611.68	105.26	Nil	105.26	Nil	100%
7	Capillary Technologies Inc,USA	3475946	April 01, 2023	NA	USD 94.35903	0.82	17.91	120.67	101.94	Nil	57.99	1.74	Nil	1.74	Nil	100%
8	Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC'), USA	710149300022	Sep 1, 2021	NA	USD 94.35903	2,264.62	2,357.81	5,065.46	443.03	2538.29	2550.67	574.89	32.26	549.61	Nil	100%

Sr.No	Name of the subsidiary	CIN/ Registration No.	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital (in million)	Reserves and surplus (in millions)	Total assets (in millions)	Total Liabilities (in millions)	Investments (in million)	Turnover (in million)	Profit before taxation (in million)	Provision of taxation (in million)	Profit after taxation (in million)	Proposed Dividend (in million)	Extent of shareholding (in percentage
9	Capillary Technologies (Shanghai) Co. Ltd, China	91310000 351056380R		NA	CNY 13.64970	510.35	(509.85)	0.55	0.05	Nil	-	Nil	Nil	Nil	Nil	100%
10	Kognitiv Solutions Inc.	1001084557	May 1, 2025	NA	CAD 67.73843	0.01	(36.02)	120.20	156.20	Nil	151.63	1.69	0.53	1.16	Nil	100%

a. detail of provision pursuant to which the company has become a subsidiary;

As of March 31, 2026, the Company operates through the following multi-tier structure:

Direct Foreign Wholly-Owned Subsidiary: The Company directly holds 100% of the paid-up equity share capital and total voting power in Capillary Pte Ltd., incorporated in Singapore.

Wholly owned Step-Down Subsidiaries: Through the aforementioned direct Singapore subsidiary, the Company exercises indirect control over a layer of 09 (nine) subsequent wholly-owned entities, incorporated across various foreign jurisdictions. Each of these 09 entities is legally classified as a step-down subsidiary of the Indian Holding Company by virtue of their shares being held 100% by the intermediate Singapore holding company. Accordingly, the legal provisions governing the subsidiary status apply uniformly across the group layers based on 100% equity control, and their financial positions have been rolled up into the Consolidated Financial Statements of the Company.

b. Name of Subsidiaries which are yet to commence operations: NIL

c. Name of subsidiaries which have been liquidated or sold during the year: NIL

Part B - Associate and Joint Venture

[Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company and Joint Venture]

The Company did not have any associate company or joint venture during the financial year ended March 31, 2026. Accordingly, the disclosure requirements under Part B of Form AOC-1 pursuant to Section 129(3) of the Companies Act, 2013 are not applicable.

on behalf of the Board of Directors
For Capillary Technologies India Limited

Aneesh Reddy Boddu
Managing Director and CEO
(DIN: 02214511)

Date: 29.05.2026
Place: Bengaluru

Anant Choubey
Whole time Director, CFO & COO
(DIN: 06536413)

Date: 29.05.2026
Place: Bengaluru

ANNEXURE - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   The Company has not entered into any contracts or arrangements or transactions with its related parties which is not at arm's length basis during the FY26.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   During the financial year under review, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis. There were no material contracts or arrangements or transactions with related parties referred to in Section 188(1) of the Companies Act, 2013 requiring disclosure in Form AOC-2.

on behalf of the Board of Directors
For Capillary Technologies India Limited

Aneesh Reddy Boddu
Managing Director and CEO
(DIN: 02214511)

Date: 29.05.2026
Place: Bengaluru

Anant Choubey
Whole time Director, CFO & COO
(DIN: 06536413)

Date: 29.05.2026
Place: Bengaluru

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CAPILLARY TECHNOLOGIES INDIA LIMITED
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout, Bengaluru South, Karnataka, India, 560102.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capillary Technologies India Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – Not applicable as the Company has not issued any debt securities during the financial year under review;

   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.

vi. The following key / significant laws as specifically applicable to the Company: -

1. Information Technology Act, 2000 and the rules made thereunder ("IT Act")

2. Digital Personal Data Protection Act, 2023 ("DPDPA 2023")

3. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.

4. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules.

5. Foreign Investment Laws

6. Tax laws

7. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), 2013

8. Maternity Benefit Act, 1961 read with the rules made thereunder

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that :

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Except in case of meetings being convened at shorter notice, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that during the period under review:

a) Issuance of equity shares under Initial Public Offer:

The Company has, vide Special Resolution passed by the members at their meeting held on May 29, 2025, approved the Initial Public Offer (IPO) of Equity Shares comprising of a fresh issue of Equity Shares aggregating up to ₹ 5,000 million by the Company (the "Fresh Issue") with an option to the Company to retain an over-subscription to the extent of 1% of the net issue size and an offer for sale of Equity Shares by existing and eligible shareholders of the Company (the "Selling Shareholders") who intimate their intention to the Board (the "Offer for Sale" and together with the Fresh Issue, the "Offer").

b) The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on November 21, 2025.

For BMP & Co. LLP,
Company Secretaries

Place: Bengaluru	**Pramod S M**
Date: May 06, 2026	Partner
PR No.: 6387/2025	FCS No: 7834
UDIN: F007834H000278016	CP No: 13784

This report to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
Capillary Technologies India Limited
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout , Bengaluru South,
Karnataka, India, 560102
Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/Managing Director & CEO, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.

8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,
Company Secretaries

Place: Bengaluru
Date: May 06, 2026
PR No.: 6387/2025
UDIN: F007834H000278016

Pramod S M
Partner
FCS No: 7834
CP No: 13784

Corporate Governance Report

1. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance for us is a process, customs, policies and laws that direct the organizations in the way they act or administer and control operations. It works to achieve the goal of the organization and manages the relationship among the stakeholders including the board of directors and the shareholders. As a Company we promote investor confidence, transparency, & ensures that all our shareholders fully exercise their rights and that the organization fully recognizes their rights. Not only we comply the law in letter and in spirit we have taken additional steps to abide by the principles even if these steps are not mentioned specifically in the law/regulations. Further, we are committed to observe the laws of the land in every country in which we operate.

2. BOARD OF DIRECTORS

As on the date of this Report, the Company has Six (6) Directors consisting of Four (4) Independent Directors and two (2) Executive Directors. The composition of the Board is in conformity with Section 149 and 152 of Companies Act, 2013.

a) Composition and category of directors

Name	Designation	Category
Mrs. Neelam Dhawan	Chairperson	Independent
Mr. Anant Choubey	Member	Executive
Mr. Aneesh Reddy Boddu	Member	Executive
Mr. Farid Lalji Kazani	Member	Independent
Mr. Venkat Ramana Tadanki	Member	Independent
Mr. Peeyush Ranjan	Member	Independent

b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

DATE OF MEETING	NEELAM DHAWAN	ANEESH REDDY BODDU	ANANT CHOUBEY	FARID LALJI KAZANI	VENKAT RAMANA TADANKI	PEEEYUSH RANJAN^	YAMINI PREETHI NATTI*
April 30, 2025	✗	✗	✓	✓	✓	-	✓
May 07, 2025	✓	✓	✓	✓	✓	-	✓
May 23, 2025	✓	✓	✓	✓	✓	✗	-
June 10, 2025	✓	✓	✓	✓	✓	✗	-
June 18, 2025	✓	✗	✓	✓	✓	✓	-
August 06, 2025	✓	✓	✓	✓	✓	✓	-
October 19, 2025	✓	✓	✓	✓	✓	✓	-
October 28, 2025	✓	✓	✓	✓	✓	✓	-
November 06, 2025	✓	✓	✓	✓	✓	✗	-
November 07, 2025	✗	✓	✓	✓	✓	✓	-
November 18, 2025	✓	✓	✓	✓	✓	✓	-
December 04, 2025	✓	✗	✓	✓	✓	✓	-
February 06, 2026	✓	✓	✓	✓	✓	✗	-
February 24, 2026	✓	✓	✓	✓	✓	✓	-
March 16, 2026	✓	✓	✓	✓	✓	✓	-
Annual General Meeting held on May 30, 2025	✓	✓	✓	✓	✓	✓	-

* Mrs. Yamini Preethi Natti ceased to be Independent Director of the Company with effect from close of business hours on May 07, 2025.

^ Mr. Peeyush Ranjan was appointed as the Independent Director of the Company with effect from May 07, 2025.

c) Number of other board of directors or committees in which a director is a member or chairperson.

Name of the Director and DIN	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
	Chairperson	Director	Chairperson	Member	
Mrs. Neelam Dhawan DIN:00871445	2	5	3	9	Refer note below
Mr. Anant Choubey DIN:06536413	Nil	Nil	Nil	Nil	
Mr. Aneesh Reddy Boddu DIN:02214511	Nil	Nil	Nil	Nil	
Mr. Farid Lalji Kazani DIN: 06914620	Nil	Nil	Nil	Nil	
Mr. Venkat Ramana Tadanki DIN: 00149481	Nil	Nil	Nil	Nil	
Mr. Peeyush Ranjan DIN: 11069839	Nil	Nil	Nil	Nil	

Note: She is Chairperson and Independent Director in Ather Energy Limited, Delhivery Limited and Independent Director in Hindustan Unilever Limited, Fractal Analytics Limited and Tech Mahindra Limited.

d) Number of meetings of the board of directors held and dates on which held;

Board Meeting: Fifteen Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

Sr. no	Date of Meetings	No of Meeting Directors eligible to attend	No of Meeting Directors attended	% of Attendance
1.	April 30, 2025	6	4	66
2.	May 07, 2025	6	6	100
3.	May 23, 2025	6	5	83
4.	June 10, 2025	6	5	83
5.	June 18, 2025	6	5	83
6.	August 06, 2025	6	6	100
7.	October 19, 2025	6	6	100
8.	October 28, 2025	6	6	100
9.	November 06, 2025	6	5	83
10.	November 07, 2025	6	5	83
11.	November 18, 2025	6	6	100
12.	December 04, 2025	6	5	83
13.	February 06, 2026	6	5	83
14.	February 24, 2026	6	6	100
15.	March 16, 2026	6	6	100

(e) Disclosure of relationships between directors inter-se;

None of the Directors and Key Managerial Personnel of the Company are inter-se related in any way.

(f) Number of shares and convertible instruments held by non- executive directors;*

Name	Category	Number of Equity Shares (as on march 31, 2026)
Mrs. Neelam Dhawan	Independent Director	0
Mr. Farid Lalji Kazani	Independent Director	61,037
Mr. Venkat Ramana Tadanki	Independent Director	1,10,843
Mr. Peeyush Ranjan	Independent Director	0

*Non-executive director do not hold any convertible instrument

(g) Web link where details of familiarisation programmes imparted to independent directors is disclosed.

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, product, engineering, sales and marketing developments and any other significant matters of importance. The details of Familiarization programmes are available on the Company's Website at https://www.capillarytech.com/wp-content/uploads/2026/04/03.-Policy-on-Familiarisation-Programmes-for-IDs.pdf

(h) Board Membership Criteria and list of core skills/expertise/competencies identified in the context of the business

The NRC follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board includes:

• Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Listed Company;	• Avoidance of any present or potential conflict of interest;
• Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;	• Availability of time and other commitments for proper performance of duties; and
• Professional qualifications, expertise, balance of skills and experience in a specific area of relevance to the Company;	• Personal characteristics being in line with the Company's values, such as Integrity, Respect, Responsibility, and Pioneering.

In alignment with Listing Regulations, the Board has meticulously identified the requisite skills, expertise, and competencies of its Directors.

Board Skills	
Leadership and Expertise	**Financial Expertise and Risk Management**
Expertise in leading well governed large organisations, with an understanding of organisational systems and processes, complex business and strategic planning	Leadership experience in financial & risk management of large organisations with an understanding of accounting & financial statements and leading growth through acquisitions/ other business combinations
Cyber Security, Digital/Information Technology & Data Governance	**Corporate Governance and Legal Framework**
Understanding the use of Digital/ Information Technology, Artificial Intelligence along with other future technologies, ability to anticipate technological driven changes & disruption, and appreciation of the need of Cyber Security, Controls & Data Governance across the organisation.	Possess relevant skills in providing the Board an oversight on all dimensions of business, guiding towards maintaining high Corporate Governance standards with an understanding of ever evolving legal & regulatory environment.
Purposeful Business & Sustainability/ESG	**People & Talent Development**
Demonstrates ability to integrate purposeful and sustainable practices into business operations, fostering positive environmental and social impacts while aligning with regulatory requirements.	Experience of providing guidance towards talent development and succession planning, ensuring the Company has a strong, diverse and high performing talent pool now and in the future

The table below highlights the core areas of expertise/skills/competencies of the Board members.

Skills	Neelam Dhawan	Aneesh Reddy Boddu	Anant Choubey	Farid Lalji Kazani	Venkat Ramana Tadanki	Peeyush Ranjan
Leadership Expertise	✓	✓	✓	✓	✓	✓
Crafting Business Strategies	✓	✓	✓	✓	✓	✓
Emerging Markets & Consumer Insights	✓	✓	✓	✓	✓	✓
Financial Expertise & Risk Management	✓	✓	✓	✓	✓	✓
Operations & Business Management	✓	✓	✓	✓	✓	✓
Cyber Security, Digital & IT	✓	✓	✓	✓	✓	✓
Corporate Governance & Legal	✓	✓	✓	✓	✓	✓
People & Talent Development	✓	✓	✓	✓	✓	✓

i) The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

(j) Mrs. Yamini Preethi Natti (DIN: 06533367) being an Independent Director of the Company resigned on May 07, 2025 citing personal reasons from the position before the expiry of her tenure for the reporting period and there were no other material reasons other than those provided.

3. COMMITTEEs OF THE BOARD

a. Audit Committee

(a) Description of terms of reference;	(b) Composition, name of members and chairperson;	(c) Meetings and attendance during the year.
Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.	1. Mr.Farid Lalji Kazani- Chairman – Independent Director 2. Mr.Anant Choubey- Member- Whole time Director 3. Mrs. Neelam Dhawan- Member – Independent Director 4. Mr.Venkat Ramana Tadanki- Member- Independent Director	Eight audit committee meetings were held during the year under review and necessary quorum was ensured at all the meetings held. Details of the attendance are as below
Detail terms of reference for audit committee are available on website of company at https://www.capillarytech.com/investors/corporate-governance/board-committees/	Company Secretary shall act as the secretary to the Audit Committee and CFO shall be permanent invitee of the Committee.	

DATE OF MEETING	FARID LALJI KAZANI	ANANT CHOUBEY	NEELAM DHAWAN	VENKAT RAMANA TADANKI
April 30, 2025	✓	✓	×	✓
May 07, 2025	✓	✓	✓	✓
June 18, 2025	✓	✓	✓	✓
October 19, 2025	✓	✓	✓	✓
October 28, 2025	✓	✓	✓	✓
November 07, 2025	✓	✓	×	✓
February 06, 2026	✓	✓	✓	✓
February 24, 2026	✓	✓	✓	✓

b. Nomination and Remuneration Committee

(a) Description of terms of reference;	(b) Composition, name of members and chairperson;	(c) Meetings and attendance during the year.
Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. Detail terms of reference for Nomination and Remuneration committee are available on website of company at https://www.capillarytech.com/investors/corporate-governance/board-committees/	1. Mr. Venkat Ramana Tadanki- Chairman – Independent Director 2. Mrs. Neelam Dhawan- Member – Independent Director 3. Mr. Farid Lalji Kazani- Member- Independent Director Company Secretary of the Company shall act as the secretary to the Nomination and Remuneration Committee.	Five committee meeting were held during the year under review and necessary quorum was ensured at all the meetings held. Details of the attendance are as below

DATE OF MEETING	VENKAT RAMANA TADANKI	NEELAM DHAWAN	FARID LALJI KAZANI^	YAMINI PREETHI NATTI*
April 30, 2025	✓	×	-	✓
May 07, 2025	✓	✓	-	✓
May 23, 2025	✓	✓	-	-
December 04, 2025	✓	✓	✓	-
February 26, 2026	✓	✓	✓	-

^Appointed as committee member with effect from May 23, 2025.

*Mrs. Yamini Preethi Natti ceased to be Independent Director of the Company with effect from close of business hours on May 07, 2025

c. Stakeholder's Relationship Committee

(a) Description of terms of reference;	(b) Composition, name of members and chairperson;	(c) Meetings and attendance during the year.
Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. Detail terms of reference for Stakeholders Relationship Committee are available on website of company at https://www.capillarytech.com/investors/corporate-governance/board-committees/	1. Mrs. Neelam Dhawan- Chairperson – Independent Director. 2. Mr. Aneesh Reddy Boddu- Member- Executive Director 3. Mr. Farid Lalji Kazani- Member – Independent Director Company Secretary of the Company shall act as the secretary to the Stakeholders' Relationship Committee.	During the year under review, one meeting of the Committee was held on February 6, 2026. All Committee members attended the meeting. Details of the attendance are as below

Name and designation of the compliance officer;	G Bhargavi Reddy Company Secretary & Compliance Officer **Capillary Technologies India Limited** #360, Bearing PID No.101/360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka 560102 Email: secretarial@capillarytech.com
Number of shareholders' complaints received during the financial year	152
number of complaints not solved to the satisfaction of shareholders;	0
number of pending complaints.	0

DATE OF MEETING	NEELAM DHAWAN	ANEESH REDDY BODDU	FARID LALJI KAZANI
February 06, 2026	✓	✓	✓

The Company has obtained authentication on SEBI SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated 17th April 2013 to address and resolve redressal of investor grievances through SCROES.

d. Risk Management Committee

(a) Description of terms of reference;	(b) Composition, name of members and chairperson;	(c) Meetings and attendance during the year.
Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. Detail terms of reference for Risk Management Committee are available on website of company at https://www.capillarytech.com/investors/corporate-governance/board-committees/	1. Mrs. Neelam Dhawan- Chairperson – Independent Director 2. Mr. Anant Choubey – Member- Whole time Director 3. Mr. Peeyush Ranjan - Member – Independent Director Company Secretary of the Company shall act as the secretary to the Risk Management Committee and CFO shall be permanent invitee of the Committee.	During the year under review, one meeting of the Committee was held on February 6, 2026. All Committee members, except Mr. Peeyush Ranjan, attended the meeting

DATE OF MEETING	NEELAM DHAWAN	ANANT CHOUBEY	PEEEYUSH RANJAN
February 06, 2026	✓	✓	×

e. **Corporate Social Responsibility Committee**

(a) Description of terms of reference;	b) Composition, name of members and chairperson;	(c) Meetings and attendance during the year.
Committee is constituted in line with the provisions of in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Detail terms of reference for Corporate Social Responsibility Committee are available on website of company at https://www.capillarytech.com/investors/corporate-governance/board-committees/	1. Peeyush Ranjan - Chairman & Independent Director 2. Anant Choubey - Member-Whole time Director 3. Venkat Ramana Tadanki - Member- Independent Director	During the financial year under review, no meetings were held.

4. SENIOR MANAGEMENT

Following has been identified as senior management personnel for the Financial Year 2025-26.

Sr. no	*Name	Designation
1.	Anant Choubey	Whole time Director, Chief Financial Officer and Chief Operating Officer
2.	Sridhar Bollam	Chief Customer Officer - North America
3.	Rohan Anil Mahadar	Chief Product Officer
4.	Piyush Kumar	Chief Technology Officer
5.	Lalit Sharma	Senior Vice President – Europe
6.	Santhosh Reddy Nigudagi	Vice President Sales and Marketing
7.	Siddhant Jain	Chief Customer Officer – Asia
8.	Sunil M Jain	Head - Corporate Development
9.	James Vicent Sturm	Senior Vice President, Americas and Strategic principal
10.	G Bhargavi Reddy	Company Secretary & Compliance Officer
11.	Ravi Jaswani	Head – Finance
12.	Melody Mitchem	Global head - Human Resources
13.	Jan Pieter Lips	President, Europe

* arranged in chronological order

There were no changes in the Senior Management of the Company since the close of the previous financial year ended March 31, 2025.

5. REMUNERATION OF DIRECTORS

(a) Pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company:

Company is currently availing:

- Advisory services from M/s. Amir Advisory Services LLP, a firm with expertise in providing advisory services on Finance, Accounting, business restructuring, cost management, mergers and acquisitions and related areas of the Company. Mr. Farid Lalji Kazani (Independent Director) and his daughter are partners of the said LLP.

  The Advisory Agreement dated May 27, 2025 entered with M/s. Amir Advisory Services LLP for providing advisory services on financial related matters got expired on May 26, 2026.

(b) Criteria of making payments to non-executive directors:

The Company has adopted revised policy on making payments to non-executive directors on April 20, 2025 which is disclosed on its website at https://www.capillarytech.com/wp-content/uploads/2025/05/Policy-on-Critirea-for-payment-to-NED.pdf

c) Disclosures with respect to remuneration:

(i) Non-Executive Directors (Independent Director):

The Company pays sitting fees of ₹ 0.1mn per meeting to its Non-Executive Directors (Independent Director) for attending Board and Committee Meetings. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings.

Sr. No	Name of Director	Commission	Sitting Fee (₹ in millions)
01.	Mrs. Neelam Dhawan	1.20	1.50
02.	Mr. Farid Lalji Kazani	1.20	1.80
03.	Mr. Venkat Ramana Tadanki	1.20	1.50
04.	Mr. Peeyush Ranjan	1.08	0.70
05.	Mrs. Yamini Preethi Natti*	0.08	0.10

*Resigned with effect from May 07, 2025, due to personal reasons.

(ii) Executive Directors:

Sr. No	Name of Directors	Salary (₹ in millions)**	Benefits, Perquisites and allowance*	Commission	ESOP (Number of options)^
01.	Mr. Anant Choubey, Whole time Director , CFO and COO#	13.72 Per annum	As per the company policy	Nil	8,30,000
02.	Mr. Aneesh Reddy Boddu, Founder, Managing Director & CEO#	17.21 Per Annum	As per the company policy	Nil	Nil

*Allowances, perquisites, amenities, facilities and benefits as per the rules of the Company as applicable to the Executive Director and as may be permitted and approved by the Board of Directors to be paid to the Executive Directors and shall be valued as per Income Tax Act & Rules, as amended from time to time.

** Includes variable pay

^ Issued at a discount and vests over a period of four years in accordance with the vesting schedule and other terms and conditions set out in the respective grant letter.

Employment contract with a 90-day notice period. No severance fee is payable.

6. GENERAL BODY MEETINGS:

(a) Annual General Meeting (AGM)

Date	Special Resolutions	Time	Venue
September 29, 2023	No Special Resolution was passed.	11.30 a.m	Video conferencing Deemed venue #360, PID No:101/360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka 560102
September 27, 2024	1. To re-appoint Mr. Farid Lalji Kazani as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from December 10, 2024. 2. To re-appoint Mrs. Neelam Dhawan as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from December 10, 2024. 3. To re-appoint Mr. Venkat Ramana Tadanki as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from December 10, 2024. 4. To re-appoint Mrs. Yamini Preethi Natti as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from December 10, 2024. 5. To re-appoint Mr. Aneesh Reddy Boddu as Managing Director & CEO (KMP) of the Company and fix remuneration. 6. To re-appoint Mr. Anant Choubey as Whole time Director & COO of the Company and fix remuneration.	11.05 a.m	Video conferencing Deemed venue #360, PID No:101/360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka 560102
May 30, 2025	1. To consider and approve alteration of Article of Association of the Company. 2. To consider and approve amendment to Annexure -B of Capillary Employee Stock Option Plan ("ESOP 2021"/ "Scheme"): 3. To approve the payment of Commission to Non-Executive Directors of the Company. 4. To Consider and Approve Increase Of Employee Stock Option Plan-2021 Pool By 5% Of the current total shares of the Company.	10:30 am	Video conferencing Deemed venue #360, PID No:101/360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka 560102

b) Special Resolution Passed Through Postal Ballot

During the year under review, approval of the shareholders were received on the following matters via special resolutions passed on January 4, 2026 and March 12, 2026 through postal ballot/remote e-voting facility:

- RATIFICATION OF CAPILLARY EMPLOYEES STOCK OPTION SCHEME-2021("ESOP 2021/ SCHEME").
- RATIFICATION OF EXTENSION OF THE BENEFITS UNDER CAPILLARY EMPLOYEES STOCK OPTION SCHEME-2021 ("ESOP 2021/ SCHEME") TO THE EMPLOYEES OF THE SUBSIDIARY COMPANIES WHETHER IN INDIA OR OVERSEAS.

Details of Voting Pattern Based on Scrutinizer's Report, the details of voting pattern in respect of the resolutions passed through postal ballot are as under:

Resolution	No. of votes polled	No. of votes cast in favour	No. of votes against	% of votes polled outstanding shares	% of votes cast in favour on votes polled	% of votes cast against on votes polled
Ratification of capillary employees stock option scheme-2021("esop 2021/ scheme").	5,46,29,036	4,86,79,976	59,49,060	68.8788 %	89.1101 %	10.8899 %
Ratification of extension of the benefits under capillary employees stock option scheme-2021 ("esop 2021/ scheme") to the employees of the subsidiary companies whether in india or overseas.	5,62,69,288	4,86,59,883	76,09,405	70.9470 %	86.4768 %	13.5232 %

c) Person who conducted the postal ballot exercise:

M/s. BMP & Co. LLP, Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot through remote e-voting process in a fair and transparent manner in accordance with the Act and the Management Rules made thereunder.

d) Whether any special resolution is proposed to be conducted through postal ballot :

As on the date of this Report, no special resolution is proposed to be conducted through postal ballot.

e) Procedure for postal ballot:

The postal ballot was conducted in accordance with the provisions of Sections 108 & 110 and other applicable provisions of the Act, read with Rules 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Management Rules") and Regulation 44 of the Listing Regulations.

7. Means of Communication:

The financial results and any official releases are posted on the Company's website at https://www.capillarytech.com/investors/. Quarterly results are generally published in Financial Express (in English) circulating substantially in the whole of India and Vijaya Vishwavani News (in Kannada) in Bengaluru.

The Company conducts investor calls, presentation to discuss financial results on quarterly basis. During the financial year under review, the Company conducted earnings conference calls to discuss the quarterly/ annual financial results. The transcript, Audio/Visual link of the Outcomes are disseminated on the website of the Company at https://www.capillarytech.com/investors/

8. GENERAL SHAREHOLDER INFORMATION:

i. Annual General Meeting for FY 2025-26 ("AGM")

Date, Time and Venue of the AGM	August 28 , 2026 , at 11:30 am (IST), through Video Conferencing/Other Audio Visual Means facility
ISIN	INE0ILV01024
CIN	L72200KA2012PLC063060
Venue	AGM through Video conferencing/ Other Audio Visual Means. Deemed Venue - 360, PID No: 101/360, 15thCross Rd Sector 4, HSR Layout, Bengaluru, Karnataka 560102,
Financial Year	April 1, 2025 to March 31, 2026
Dividend Payment	Not applicable

ii. **The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

National Stock Exchange of India Limited.	BSE Limited.
Exchange plaza, C-1, Block – G, Bandra Kurla Complex, Bandra East, Mumbai -51, Mumbai City, Maharashtra, India, 400051	25th Floor, Phiroze JeeJeebhoy Towers, Dalal Street Fort, Mumbai -400001

Note:

For the financial year 2025-26, the Company has paid the Listing Fees to the above Stock Exchanges.

iii. **In case the securities are suspended from trading, the directors report shall explain the reason thereof:** No such circumstances.

iv. **Registrar to an issue and share transfer agents:**

MUFG Intime India Pvt Ltd.
C 101, 247 Park, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083
Tel: (+ 91 22) 4918 6200
https://in.mpms.mufg.com/

v. **Share transfer system:** All shares of the company are in Dematerialised manner, and the requests for effecting transfer / transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

a) **Distribution of equity shareholding as on March 31, 2026:**

Number of shares	Holding	Percentage of Capital	Number of accounts	Percentage to total accounts
1-100	353,906	0.45%	15,005	88.45%
101-500	353,835	0.45%	1,522	8.97%
501-1000	131,073	0.17%	178	1.05%
1001-5000	251,983	0.32%	120	0.71%
5001-10000	289,430	0.36%	36	0.21%
10001-50000	833,953	1.05%	40	0.24%
50001-100000	698,971	0.88%	10	0.06%
100001-Above	76,494,152	96.33%	53	0.31%
Total	**7,94,07,303**	**100%**	**16,964**	**100.00**

b) **Categories of equity shareholding as on March 31, 2026:**

Category	Number of equity shares held	Percentage of holding
Promoter & Promoter Group	4,14,72,159	52.23
Key Managerial Personnel	929,466	1.17
Banks, Financial Institutions, State and Central	-	-
Government	-	-
Insurance Companies	8,600	0.01
Mutual Funds	11,133,637	14.02
NBFCs registered with RBI	35	0.00
Foreign Portfolio Investors Category I	2,725,257	3.43
Foreign Portfolio Investors Category II	1,127	0.00
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	2,021,030	2.55
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	1,728,429	2.18
NRIs	583,384	0.73
Foreign Nationals	4,168	0.01
Foreign Companies	13,916,707	17.53

Category	Number of equity shares held	Percentage of holding
Corporate Bodies, Trusts	2,85,640	0.36
Others	972,611	1.22
Alternate Investment Fund	3,625,053	4.57
IEPF account	-	-
Total	**7,94,07,303**	**100%**

c) **Top ten equity shareholders of the Company as on March 31, 2026:**

Sr. No	Name of the shareholders	Number of equity shares	Percentage of holding
01.	CAPILLARY TECHNOLOGIES INTERNATIONAL PTE LTD	39,467,268	49.70
02.	RONAL HOLDINGS LLC	5,524,350	6.96
03.	AVP FUND II	4,039,041	5.09
04.	MIRAE ASSET ELSS TAX SAVER FUND	3,368,486	4.24
05.	TRUDY HOLDINGS	2,602,711	3.28
06.	FILTER CAPITAL INDIA FUND I	2,683,935	3.38
07.	ANEESH REDDY BODDU	1,733,380	2.18
08.	ICICI PRUDENTIAL INNOVATION FUND	1,209,498	1.52
09.	SCHRODERS CAPITAL PRIVATE EQUITY ASIA MAURITIUS IX LIMITED	1,128,650	1.42
10.	ANANT CHOUBEY	929,074	1.17

vi. **Dematerialization of shares and liquidity:** Equity shares of the Company representing 100 percent of the Company's equity share capital are dematerialized as on date of this report. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is IN80ILV01015.

vii. **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2026, as such instruments have not been issued in the past.

viii. **Commodity price risk or foreign exchange risk and hedging activities:** The Company does not deal in commodities and hence the disclosure is not required to be given.

ix. **Plant locations:** Considering the nature of the Company's business it does not have any plant location. The registered office of the Company is situated at 360, PID No: 101/360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru Karnataka 560102

x. **Address for correspondence:**

Capillary Technologies India Limited
360, PID No:101/360, 15th
Cross Rd, Sector 4,
HSR Layout,Bengaluru,
Karnataka 560102,
Tel: +91 80 4122 5179
Email: secretarial@capillarytech.com

xi. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad-**

Not obtained

9. OTHER DISCLOSURES:

a. **Materially significant related party transactions:**

All transactions entered into with related parties during the financial year were in the ordinary course of business. During the year under review, there were no materially significant related party transactions entered into between the Companies that may have potential conflict with the interest of the Company at large. The policy for dealing with the related party transactions, which has been approved by the Board, is available on the website of the Company at: https://www.capillarytech.com/wp-content/uploads/2026/04/18.-Policy-on-Materiality-of-and-dealing-with-Related-Party-Tran.pdf

b. **Details of non-compliance with respect to Capital Markets and penalties:**

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets, to the extent applicable and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or other statutory authorities during the year under review.

c. **Whistle blower policy and vigil mechanism:**

The Company has formulated a Vigil Mechanism and Whistle-Blower Policy ("Policy") in accordance with provisions of the Act and Regulation 22 of Listing Regulations. This Policy aims to provide a platform and mechanism for employees, directors and other stakeholders to report unethical behaviour, fraud or violations of the company's code of conduct, ethics and principles without fear of retaliation. It also ensures direct access to the Chairperson of the Audit Committee. The Company affirms that, in compliance with the Policy, no personnel have been denied access to the Audit Committee Chairperson.

The Whistle Blower Policy is available on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/04/01.-Vigil-Mechanism-policy.pdf

d. **Compliance with mandatory requirements:**

The Company has complied with all the mandatory corporate governance requirements to the extent applicable to the Company.

e. **Web link where policy for determining material subsidiaries is disclosed:**

The Company has a policy for determining material subsidiaries which is available on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/04/12.-Policy-for-determining-material-Subsidiaries.pdf

f. **Web link where policy on dealing with related party transactions :**

The Company has a policy on dealing with related party transactions which is available on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/04/18.-Policy-on-Materiality-of-and-dealing-with-Related-Party-Tran.pdf

g. **Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

During the financial year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.

h. **Certificate from a Company Secretary in practice:**

The Company has received a certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continued as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure IV.

i. **Non-acceptance of any recommendation of any Committee of the Board which is mandatorily required**

The Board of Directors have taken all the recommendations of the various Committees of the Board as statutorily prescribed.

j. **Total audit fees paid or payable by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

The total audit fees paid or payable by the Company to M/s Walker Chandiok & Co LLP, Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, for the financial year under review is ₹ 12.65 Mn.

k. **Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the financial year under review, Company has not received any complaints.

l. **Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**

During the financial year under review, the Company has neither advanced any loans nor given any guarantees and / or provided any securities, whether directly or indirectly to firms/ companies in which directors are interested.

m. **Details of material subsidiaries, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

Name of Material Subsidiaries	Date and Place of Incorporation	Name of the statutory auditors	Date of Appointment of the statutory auditors
i. Capillary Pte. Ltd.	July 21, 2021 Singapore	Grant Thornton Audit LLP	April 21, 2023
ii. Capillary Technologies Europe Limited	December 30, 1996, London	PBG Associates (London) Ltd.	May 9, 2023
iii. Capillary Brierley Inc.	May 21, 1984 Delaware	Grant Thornton Bharat LLP	August 02, 2024
iv. Capillary Technologies LLC	March 25, 2011 Minnesota	Grant Thornton Bharat LLP	August 23, 2023

n. **Code for Prevention of Insider Trading Practices:**

The Company has in place a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. These Codes provide for, among other matters, the preservation of confidentiality of UPSI, prevention of insider trading, and prompt and fair disclosure of material information. The Company has complied with the requirements of the said Regulations during the financial year under review.

The Code has been made available on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/04/19.-Insider-Trading-Prohibition-Code.pdf

o. **Other Policies**

The Company has adopted various policies prescribed under the Act and Listing Regulations, which are available on the website of the Company at https://www.capillarytech.com/investors/corporate-governance/policies/

10. Discretionary requirements (Schedule II Part E of the SEBI Listing Regulations):

The Company strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of SEBI Listing Regulations, to the extent applicable:

a. The Company has appointed a Non-executive Independent Director as Chairperson of the Board who is not related to the Executive Directors and Chief Executive Officer.

b. The Company's financial results have unmodified audit opinions.

c. Internal auditors of the Company report directly to the Audit Committee.

11. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and all other mandatory provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable.

12. Compliance with Code of Conduct

The Code of Conduct ("the Code") for Board members and Senior Management personnel as adopted by the Board, is a comprehensive code applicable to Directors and Senior Management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and Senior Management personnel.

A copy of the Code has been made available on the website of the Company at https://www.capillarytech.com/wp-content/uploads/2026/04/05.-Code-of-Conduct-for-Board-and-SMP.pdf The Code has been circulated to Directors and Senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer to this effect is annexed to this report as Annexure-V.

13. Compliance Certificate on Corporate Governance

The Company has obtained a certificate affirming the compliances of conditions of corporate governance from M/s. BMP & Co. LLP, Practicing Company Secretaries and the same is annexed as Annexure – VI.

14. Chief Executive Officer and Chief Financial Officer Certification

Mr. Aneesh Reddy Boddu, Managing Director & CEO and Mr. Anant Choubey, Chief Financial Officer of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2026 and is annexed to this report as Annexure VII.

15. Disclosure with respect to demat suspense account/unclaimed suspense account

a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL

b. number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL

c. number of shareholders to whom shares were transferred from suspense account during the year: NIL

d. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL

e. that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

16. Transfer of unclaimed/unpaid amount to the Investor Education and Protection Fund

The Company does not have any instances of transferring any amount to the Investor Education and Protection Fund.

17. Disclosure of certain types of agreements binding listed entity

There are no agreements impacting management or control of the Company or imposing any restriction or creating any liability upon the Company.

18. Disclosure of accounting treatment

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

19. Number of employees as on the closure of financial year

The total number of employees as on the closure of Financial Year - 689

MALE - 536

FEMALE - 153

TRANSGENDER - NIL

Annexure IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V, Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
CAPILLARY TECHNOLOGIES INDIA LIMITED
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout , Bengaluru South,
Karnataka, India, 560102

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Capillary Technologies India Limited having CIN: L72200KA2012PLC063060 and having registered office at #360 bearing PID No. 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Bengaluru South, Karnataka, India, 560102 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. no.	Name of Director	DIN	Designation	Date of original appointment in Company
1.	Ms. Neelam Dhawan	00871445	Chairperson and Non-Executive, Independent Director	10/12/2021
2.	Mr. Aneesh Reddy Boddu	02214511	Managing Director and Chief Executive Officer	21/02/2013
3.	Mr. Anant Choubey	06536413	Whole-time Director	02/01/2020
4.	Mr. Farid Lalji Kazani	06914620	Non-Executive, Independent Director	10/12/2021
5.	Mr. Venkat Ramana Tadanki	00149481	Non-Executive, Independent Director	10/12/2021
6.	Mr. Peeyush Ranjan	11069839	Non-Executive, Independent Director	07/05/2025

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP,
Company Secretaries

Place: Bengaluru
Date: May 06, 2026
PR No.: 6387/2025
UDIN: F007834H000285641

Pramod S M
Partner
FCS No: 7834
CP No: 13784

Annexure V

To,
The Members,
CAPILLARY TECHNOLOGIES INDIA LIMITED
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout, Bengaluru South,
Karnataka, India, 560102.

Subject: Declaration confirming compliance with the Code of Conduct for board of directors and senior management personnel of the Company in accordance with the provision of Part D of Schedule V of the SEBI (LODR) Regulations, 2015.

I, Aneesh Reddy Boddu, Managing Director and Chief Executive Officer of the Company, hereby declare that the members of the board of directors and senior management personnel of the Company have affirmed the compliance with the Code of Conduct for board of directors and senior management personnel of the Company for the financial year 2025-26

For Capillary Technologies India Limited

Aneesh Reddy Boddu
DIN: 02214511
Designation: Managing Director and CEO
Date: May 06, 2026

Annexure VI

SECRETARIAL AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Schedule V, para E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
CAPILLARY TECHNOLOGIES INDIA LIMITED
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout , Bengaluru South,
Karnataka, India, 560102

We have examined the compliance of conditions of Corporate Governance of Capillary Technologies India Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2025, to March 31, 2026. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP,
Company Secretaries

Pramod S M
Partner
FCS No: 7834
CP No: 13784

Place: Bengaluru
Date: May 06, 2026
PR No.: 6387/2025
UDIN: F007834H000278161

Annexure VII

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
CAPILLARY TECHNOLOGIES INDIA LIMITED
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout , Bengaluru South,
Karnataka, India, 560102

We, the undersigned, in our respective capacities as the Chief Executive Officer and Chief Financial Officer of the Capillary Technologies India Limited, to the best of our knowledge and belief, certify that:

a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2026, and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal, or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware, and the steps taken or proposed to be taken to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Capillary Technologies India Limited

Aneesh Reddy Boddu
Chief Executive Officer
(PAN: AKZPB3481D)

Anant Choubey
Chief Financial Officer
(PAN: AGXPC0159R)

Annexure VIII

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
CAPILLARY TECHNOLOGIES INDIA LIMITED
CIN: L72200KA2012PLC063060
#360 bearing PID No 101, 360, 15th Cross Rd,
Sector 4, HSR Layout , Bengaluru South,
Karnataka, India, 560102

We, BMP & Co. LLP, Company Secretaries in Practice, have been appointed as the Secretarial Auditor of Capillary Technologies India Limited (hereinafter referred to as 'the Company'), having CIN L72200KA2012PLC063060 and having its registered office at #360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, HSR Layout, Bengaluru, Bengaluru South, Karnataka, India, 560102, vide a resolution passed by the board of directors of the Company on April 30, 2025 and shareholders at their Annual General Meeting held on May 30, 2025. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended March 31, 2026.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented Capillary Employees Stock Option Scheme – 2021 ("ESOP 2021") viz. Employee Stock Option Scheme in accordance with the Regulations and was approved by the members at the extra-ordinary general meeting held on October 29, 2021 and the subsequent amendments to the Scheme were approved by the shareholders at their meetings held on November 30, 2021, March 24, 2023, October 10, 2023, April 10, 2025 and May 30, 2025. The said ESOP 2021 was further ratified and approved by the members of the Company by passing a special resolution through Postal Ballot dated January 4, 2026 and March 12, 2026, within the meaning of SEBI Regulations.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Scheme(s) received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meeting(s);
5. Shareholders resolution passed at General Meetings w.r.t. variation in the scheme (if any);
6. Minutes of the meetings of the Compensation Committee/ Nomination and Remuneration Committee;
7. Trust Deed - Not applicable as the Company has implemented the Scheme through direct route instead of Trust route;
8. Details of trades in the securities of the company executed by the trust through which the scheme is implemented - Not applicable as the Company has implemented the Scheme through direct route instead of Trust route;
9. Relevant Accounting Standards as prescribed by the Central Government;

10. Detailed terms and conditions of the Scheme as approved by Compensation Committee/ Nomination and Remuneration Committee;
11. Bank Statements towards Application money received under the scheme(s);
12. Valuation Report – Not Applicable;
13. Exercise Price / Pricing formula;
14. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
15. Disclosure by the Board of Directors;
16. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
17. Other relevant document / filing / records / information as sought and made available to us and the explanations provided by the Company.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the Capillary Employees Stock Option Scheme - 2021 in accordance with the applicable provisions of the Regulations and resolution(s) of the Company in the General Meeting(s).

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For BMP & Co. LLP,
Company Secretaries

Pramod S M
Partner
FCS No: 7834
CP No: 13784
Peer Review Certificate No. 6387/2025
Firm Registration Number: L2017KR003200

Place: Bengaluru
Date: May 06, 2026
UDIN: F007834H000278214

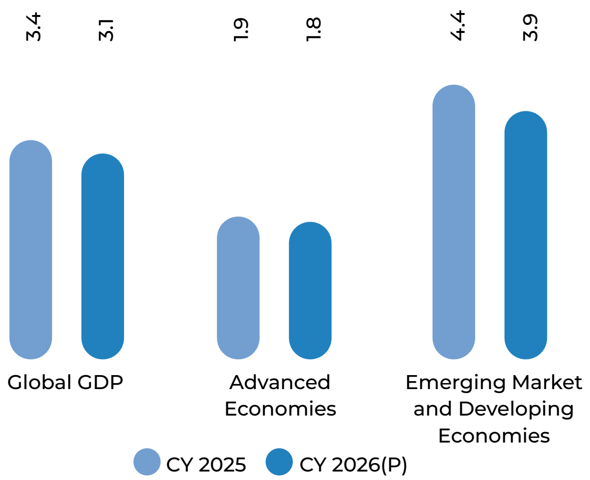
Management Discussion and Analysis

1. Economic Overview

Global Economy

During CY 2025, the global economy grew at 3.4% with global inflation level declining to 4.1% from 5.8% in CY 2024.[1] During the reporting year, the enterprise technology spending has, however, remained resilient through this period of macro uncertainty. North America remains the largest and most mature enterprise software buying market globally, and enterprise IT and Martech budgets there have continued to grow, if at a more measured pace than in prior years. Europe's enterprise spending environment has been comparatively steadier, tempered by the energy-price and geopolitical pressures though digital-transformation investment in sectors such as retail and travel has continued uninterrupted. Asia-Pacific continues to exhibit the highest overall growth momentum in consumer spending and digital retail of the three regions, underpinning sustained demand for loyalty and customer engagement infrastructure.

Global GDP Growth Rates (in %)



Outlook

The global economy is expected to decline to 3.1% in CY 2026 and then rise to 3.2% in CY 2027. This trajectory is supported by sustained technology investment and gradual easing of tariff rates. However, escalation of geopolitical tensions in West Asia could exert upward pressure on inflation, estimated at 4.4% for CY 2026 and to ease to 3.7% in CY 2027, supported by softer labour market conditions and moderating demand for traded goods. Gartner's most recent forecast puts worldwide IT spending growth at 13.5% for 2026, reaching US$6.31 trillion, with software spending growing faster still at 15.1% to US$1.44 trillion, led by continued investment in Cloud and Artificial Intelligence (AI).[2]

2. Global Loyalty and Customer Engagement Market

Market Size and Structure

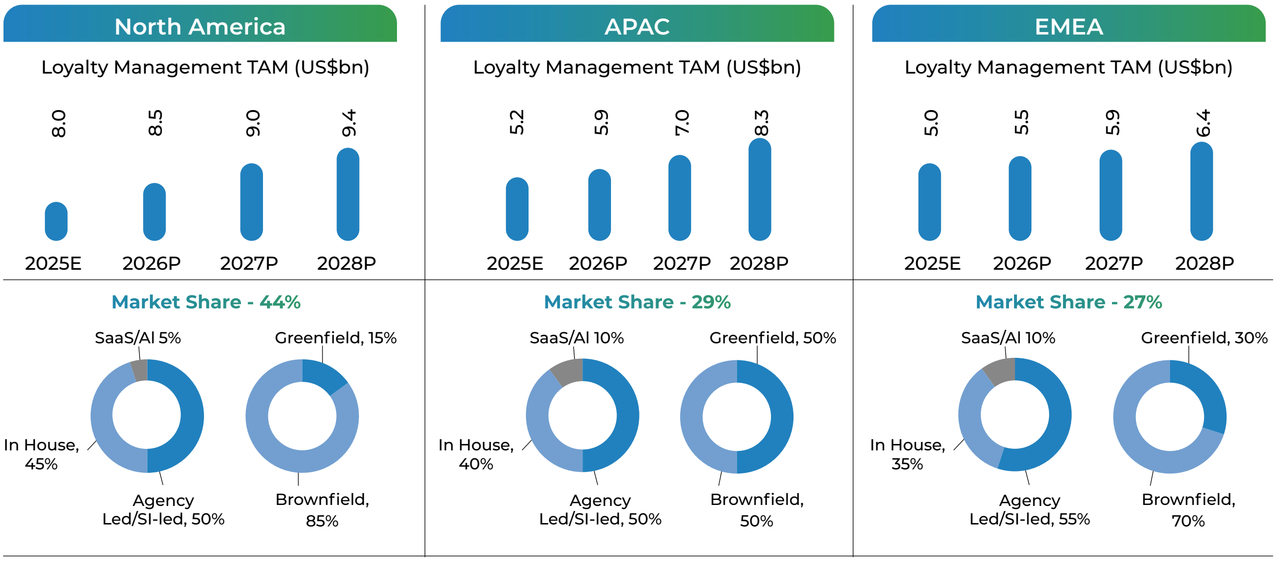
Enterprise adoption of loyalty programs is driven by clear economic incentives, given that customer acquisition costs roughly five times more than customer retention, while program members demonstrate a 15% to 40% higher lifetime value compared to non-members. Consequently, businesses increasingly view these initiatives as essential retention mechanisms rather than discretionary marketing activities. Program operators realize an average return on investment of 4.8x, with approximately 90% reporting profitable outcomes and 72% of consumers expressing a willingness to join a program before making their initial purchase. This widespread utility is reflected

[1] https://www.imf.org/external/datamapper/datasets/WEO

[2] https://www.gartner.com/en/newsroom/press-releases/2026-04-22-gartner-forecasts-worldwide-it-spending-to-grow-13-point-5-percent-in-2026-totaling-6-point-31-trillion-dollars

in the market landscape, where nearly all Fortune 500 corporations operate some form of loyalty initiative, indicating a highly expansive addressable market.

Against that backdrop, the global loyalty management market represents a target addressable opportunity of approximately US$18.2 billion. Of this, roughly 30% (~US$5.6 billion) is agency-led and services-heavy rather than software-led, including a ~US$2.4 billion mid-market slice. Industry estimates put the regional split of this opportunity at roughly 44% North America, 29% Asia-Pacific and 27% EMEA, with the North American loyalty market alone estimated at approximately US$8 billion.



Outlook

The global loyalty sector is projected to expand at a CAGR of 17.7% from CY 2026 to CY 2030, reaching USD 28.4 billion by 2030, with the Asia-Pacific region leading as the fastest-growing market. This global momentum is fueled by rising investments in AI-driven solutions, a strong demand for personalized rewards, emerging market expansion, and seamless digital payment integration. Meanwhile, the domestic industry is set to grow at a CAGR of 16.1% between 2025 and 2035 to reach USD 17.1 billion, propelled by ongoing digital transformation, a preference for tailored engagement, and data-driven rewards, with AI and blockchain technologies poised to define the next era of loyalty innovation[3].

Opportunities and Threats

Competitive Landscape

The global competitive landscape is defined by a clear divide between two primary delivery models. A significant portion of the market, especially across North America and Europe, relies on agency-model operators that design and manage customized loyalty programs through people-intensive, project-based services. Industry estimates indicate that 75% to 80% of large US enterprises currently operate a loyalty solution, with the majority utilizing this traditional agency framework. However, the rest of the market is served by software and platform vendors providing configurable, self-service infrastructure. Over the past two years, these software- and AI-led delivery models have increasingly displaced the legacy agency model by offering superior cost-efficiencies and deployment speeds, a structural transition that leading industry analysts like Forrester have identified as a defining trend in recent vendor evaluations.

Impact of Artificial Intelligence (AI) on the Industry

AI is fundamentally transforming both the operational backend of loyalty programs and the external consumer discovery experience. Operationally, generative and agentic AI are shrinking the time and expense traditionally spent on program design, campaign setup, and daily data analysis, effectively automating tasks that once required specialized teams and long development cycles. Simultaneously, the consumer landscape is shifting as AI commerce agents begin executing transactions autonomously and generative AI chatbots emerge as primary discovery channels over traditional search engines. Together, these parallel shifts create a critical structural demand for brands to implement a standardized, machine-readable layer. This infrastructure ensures that external AI assistants can easily interpret a brand's loyalty economics, allowing companies to

[3]Loyalty Management Market Size, Share & Forecast 2034

remain highly visible wherever consumers choose to conduct their searches.

Regulatory Environment

Global loyalty and customer engagement platforms are subject to an increasingly complex framework of international data privacy and consumer protection regulations, including Europe's GDPR, the United States' CCPA, and India's Digital Personal Data Protection Act (DPDPA). This regulatory burden is uniquely intensified because loyalty platforms manage both sensitive consumer personal data and financial-equivalent ledgers in the form of reward points, placing vendors under intense scrutiny regarding data compliance and the secure safekeeping of member value. Regulatory oversight is expanding to address AI-specific risks, with sweeping frameworks like the EU AI Act introducing strict compliance mandates for the automated decisioning and AI-driven personalization systems widely deployed across the sector.

Company Overview

Scale and Global Footprint

Established in 2012, Capillary Technologies is a software product company offering AI-powered, cloud-native products and solutions to large enterprise customers globally. The Company monetizes its offerings through long-term subscription contracts.

As of 31 March 2026, the Company served more than 415 brands, including approximately 20 Fortune 500 customers, across 49 countries from 16 global offices, with a global workforce of 689. The platform hosts over 1.9 billion consumer profiles and processes more than 10 billion transactions a year, at 99.999% product uptime.

Capillary at a Glance

415
Brands

20
Fortune 500 Customers

1.9 Billion+
Consumers on the Platform

99.999%
Product Uptime

49
Countries

16
Global Offices

689
Permanent employees

Revenue and Business Mix

The vertical mix has diversified materially over recent years. Retail, historically the large majority of the Company's business, now accounts for less than one-third of revenue, with the balance spread across banking, telecom, travel, hospitality, and healthcare. By geography, North America contributes approximately 60% of revenue, Asia approximately 25%, and Europe approximately 15%.

Business Model

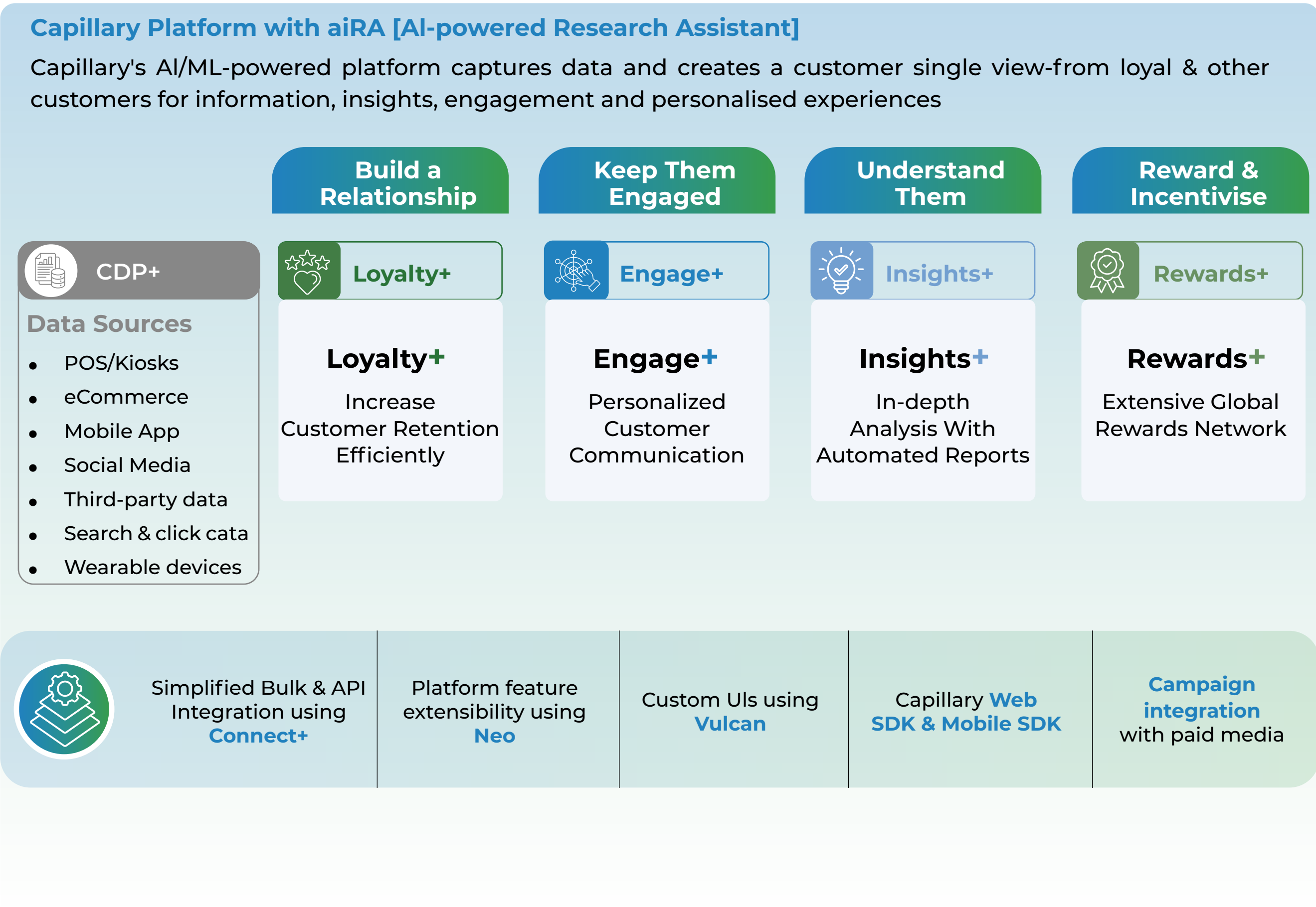
Capillary sales long-term subscription contracts, typically running 3–7 years with many renewing them subsequently, priced on the number of members or transactions on the platform rather than on user seats or gross merchandise value. Subscription gross margin was 67.2% in FY26, up from 66.4% in FY25.

The Company's cost base is weighted toward technology, sales, and marketing, and corporate overhead rather than large delivery headcount. The Company serve customers through a combination of software-led self-service and a lean customer-success organization, in contrast to the agency delivery model's typical staffing of around 30 people per program (see Section 5), a structural difference that underpins both the Company's margin profile and its ability to scale customer service without scaling headcount proportionally.

4. Product and Service Offerings

Core Suite

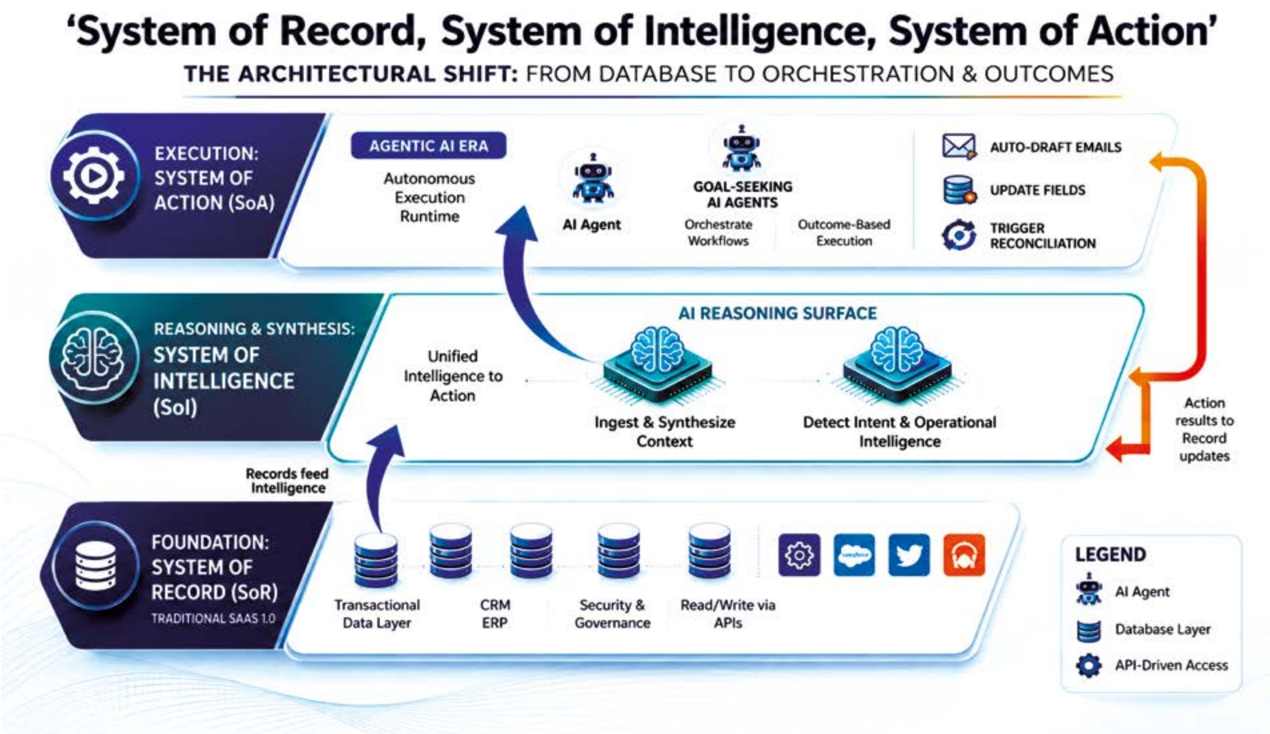
Capillary's platform is built around four stages of the customer lifecycle understanding customers, building the relationship, keeping them engaged, and rewarding and incentivizing them. This is delivered through a single connected suite rather than separate tools. Loyalty+ is the core platform and the majority contributor to revenue, rated best-of-breed in The Forrester Wave™: Loyalty Platforms, Q4 2025. The Company complements it with Engage+ (personalized customer communication and campaigns), Insights+ (in-depth analytics with reporting), and Rewards+ (a global rewards network), each sold as an upsell or cross-sell on top of Loyalty+. Supporting platform infrastructure includes Connect+ (bulk and API integration), Neo (a low-code layer that lets customers extend and customize platform behaviour without waiting on its own engineering roadmap), Vulcan (a no-code custom UI layer), web and mobile SDKs, and paid-media campaign integration, which together ingest data from point-of-sale systems, kiosks, e-commerce, mobile apps, social channels, search and click behaviour, third-party data, and wearables into a single customer view.



aiRA — the AI Layer

aiRA is the AI layer which lets marketers ask plain-English questions of their customer data, surfaces recommendations proactively, and can directly build and launch campaigns without an engineering ticket. The Company uses a three-layer framework, the System of Record, the System of Intelligence, and the System of Action, to understand the impact of AI on Enterprise SaaS companies.

The System of Record is Loyalty+ itself. It is the platform of record for the customer graph and the points ledger. The System of Intelligence is the aiRA Analytics Agent, a natural-language interface over that customer graph that lets a marketer ask a plain-English question and get an answer, surfaces anomalies proactively (for example, an unexpected drop-in redemption rate for a specific cohort) and recommends a next action rather than only reporting a metric. The System of Action comprises the aiRA Action and Configuration Agents, which can take that recommendation and directly stand up or modify a campaign inside the platform, without an engineering ticket or a data team in the loop.



CASE STUDY

LEADING VALUE-FASHION RETAILER

- Going into its biggest festive window, slower regions were growing 9.6 percentage points behind the rest of the business. Mass campaigns were reaching only 29% of the 14.7M-member loyalty base.
- Team used aiRA to run the five-week campaign end-to-end, with propensity-led segmentation across five lifecycle cohorts, while also recalibrating them after every cycle.
- Impact: The regional growth gap was reduced from 9.6 percentage points to 2.2 percentage points with the 5-week campaign. The campaigns helped deliver 29.4% YoY growth in new customers, and ~US$60M net sales (+4.0% YoY).
- When the performance was compared against the customer's dedicated analytics agency, aiRA won across 8 of 9 KPIs.

The Analytics & Insights Agent, Marketer's Decision Engine Autonomous Action Engine are live today and being offered to existing Capillary customers. The Company is also building a set of vertical agentic solutions, which are expected to be released over the medium term.

Acquired Platforms Being Migrated

Capillary Technologies has successfully integrated three historic platform acquisitions—Persuade (acquired September 2021), Brierley (acquired April 2023), and Rewards+ (acquired June2023)—— by migrating their customers onto its core platform over a typical three-to-four-year post-merger timeline. The Company further expanded its global footprint by acquiring Kognitiv Inc. in May 2025, bringing in over 30 enterprise brands across the US, ANZ, SEA, and UAE markets, followed by the acquisition of SessionM Inc. from Mastercard International Inc. which closed on May 1, 2026, and added major airlines, airports, and quick-service restaurant chains to its customer portfolio.

The Company reports under a single Ind AS 108 operating segment ("CRM services") and frequently bundles its above-mentioned products, such as Loyalty+, Engage+, Insights+, and aiRA. Therefore, we do not track or disclose product-line profitability separately. Instead, the Company measures its underlying financial health and performance by tracking organic and inorganic revenue growth alongside cohort-based net revenue retention.

5. Business Strengths

A Fully Integrated, Industry-Recognised Loyalty Management Platform

The Company offers a single platform spanning a CRM-equivalent core (Loyalty+), a customer data platform (CDP+), a unified customer profile fed by point-of-sale, e-commerce, mobile app, social, third-party, and wearable data), analytics (Insights+), promotions and rewards (Rewards+), and marketing automation (Engage+), sold and delivered as one integrated suite rather than a collection of bolted-together point tools.

Capillary was the sole vendor rated highest on both the "Current Offering" and "Strategy" axes in The Forrester Wave™: Loyalty Platforms, Q4 2025, scoring 5 out of 5 on 22 of 27 evaluation criteria. Alongside Forrester, the Companys was also named a Leader in Everest Group's Loyalty Platforms PEAK Matrix® Assessment 2025 and a Leader in the SPARK Matrix™: Customer Loyalty Solutions, 2025 by Quadrant Knowledge Solutions. In addition to these, the organization has also been recognized across major Analyst Reports covering specific product verticals.

Leader

Leader - The Forrester Wave™: Loyalty Platforms, Q4 2025

FORRESTER®

Leader

Leader - Everest Group's Loyalty Platforms PEAK Matrix® Assessment, 2025

Everest Group®

Leader

Leader - QKS Group SPARK Matrix™: Customer Loyalty Solutions, 2026

QKS Group

Recognized across major Analyst Reports

- The Gartner Market Guide for Loyalty Program Vendors, 2026 Loyalty+
- The Customer Data Platforms For B2C Landscape, Q1 2026 by Forrester CDP+
- The Loyalty Services Landscape, Q2 2026 by Forrester Loyalty+ Rewards+
- The Cross-Channel Marketing Hubs Landscape, Q2 2026 By Forrester Engage+
- IDC Market Glance: Loyalty in Retail, 2026 Loyalty+

The integrated architecture also makes the platform difficult and prohibitive to displace once live. The Company owns and operates the loyalty points ledger itself - earn, burn, and expiry, audited like a financial ledger - with an average of approximately nine integrations per enterprise customer, each one adding to the operational depth of the relationship.

> Capillary excels across most capabilities, including program flexibility, UX, and AI-driven insights supports complex programs, including coalition, subscription, and gamified formats.
>
> The Forrester Wave™: Loyalty Platforms, Q4 2025

Industry-Leading AI Capabilities — aiRA

The three-layer architecture of aiRA, which comprises the System of Record, System of Intelligence, and System of Action, has delivered significant operational improvements and rapid user adoption. Customer response teams that previously endured long data or engineering queues can now execute updates or retrieve insights in minutes rather than weeks. Enterprise clients deploying aiRA in high-stakes workflows emphasize that the accuracy and auditability of its recommendations, specifically the visibility into why an action was suggested, are vital preconditions for expanding its rollout. Early performance data confirms this momentum at a flagship brand, where cumulative aiRA activity surged 9.2x month-over-month between November 2025 and April 2026, while platform-wide brand-user activity grew 45.3x over the same timeframe. Commercially, while Loyalty+ continues to be priced based on members and transactions, aiRA utilizes a distinctive usage- and outcome-based pricing framework that scales directly with adoption, effectively protecting the Company from the seat-based pricing compression currently impacting the broader enterprise SaaS market.

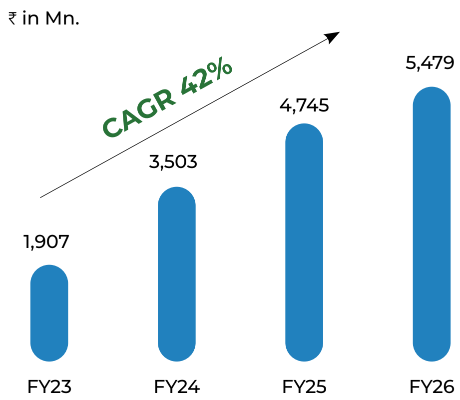
A Diversified Customer Base Across Verticals and Geographies

The Company maintains a global footprint across 49 countries, serving a client base of more than 415 brands, which includes roughly 20 Fortune 500 enterprises. While retail historically served as the Company's primary revenue driver, strategic diversification has reduced it to less than one-third of total revenue, with the balance distributed across banking, telecommunications, travel, hospitality, and healthcare. Geographically, revenue generation is concentrated in North America at approximately 60%, followed by Asia at 25% and Europe at 15%, alongside ongoing efforts to secure new clients globally. This broad market presence is sustained by long-term customer relationships, driven by high switching costs and the deeply embedded nature of the platform once implemented. The Company leverages its rigorous security and compliance framework to clear the high regulatory hurdles required by large sectors such as healthcare, banking, financial services, and aviation. This posture provides a structural competitive advantage over smaller vendors and agency-model competitors, driving sustained client acquisition and retention. This operational scale also yields a massive first-party customer graph that is further expanded by the SessionM integration, encompassing over 10 billion annual transactions and 1.9 billion distinct consumer profiles.

Strong Financial Performance with Improving Operating Leverage

Revenue grew at a 53% CAGR from FY23 to FY26 (organic part of the business has grown revenues at 42% CAGR in the same period), with Adjusted EBITDA up 43% year-on-year in FY26 to a 14.6% margin, and a Q4 FY26 margin of 18.7% an all-time high for the Company.

Organic Revenue growth



This reflects structural operating leverage: the cost base comprising technology, sales and marketing, and corporate overhead historically more than 60% of total cost base grew only 14% year-on-year in FY26 against 23% revenue growth, having fallen from approximately 72% of revenue to approximately 66% over recent years. This cost discipline is particularly notable against the industry's dominant agency-run delivery model, which is people-heavy, typically around 30 people per program, where the Company's software- and AI-led delivery is displacing agency incumbents at a fraction of the headcount, and translating directly into superior gross and operating margins.

An Established M&A Playbook with a Track Record of Successful Integration

The Company has completed five acquisitions since 2021: Persuade, Brierley, Rewards+, Kognitiv, and SessionM, each acquired at between 0.4x and

3x revenue. Where mature, acquired businesses have been turned from loss-making to 40–45% contribution margin within two to three years of acquisition: Persuade moved from –17% to 41% contribution margin, the combined Brierley and Persuade book from –4% to 40%, and Rewards+ from –2% to 45%. Across the cohort, the Companys has achieved a return on invested capital of over 20% and an average cash payback period of approximately four years. The playbook itself is repeatable: Capillary targets agency-model and services-heavy competitors with marquee enterprise customers, migrate them onto the native Capillary platform, and capture the resulting margin uplift, as acquired businesses typically run at approximately 30% gross margin as-acquired versus 65–70% on the Capillary platform at steady state.

Mergers and Acquisitions Track Record

Deal	Date	Investment (in millions)	Investment / Multiple	Payback	Contribution-margin turnaround
Persuade	Sep 2021	~₹1070	~3x revenue	Achieved in 4.6 years	–17.4% (FY23) → 41.2% (FY26)
Brierley	Apr 2023	~₹1110	~0.8x revenue	Estimated in ~4 years	–3.6% (FY24) → 40.4% (FY26)
Rewards+	Jun 2023	~₹390	~0.4x revenue	Achieved in 2.5 years	–1.9%(FY24) →
Kognitiv	May 2025	~₹1220	~1.4x revenue	Estimated in 3.9 years	In progress

A Young, Energetic and Experienced Leadership Team

The Company has been founder-led since inception, and its leadership team combines that founder continuity with deep functional depth across product, technology, sales, marketing, customer success, finance, and operations. Most of the leaders joined Capillary directly after their education and have grown with the Company for more than a decade, giving the Company a leadership bench with unusually long institutional memory and hands-on delivery experience across retail, fuel, travel, airlines, healthcare, and financial services experience that now feeds directly into its vertical AI agent roadmap.

6. Business Strategy and Growth Drivers

Organic Growth Levers

New Customer Acquisition. New-customer acquisition remains a key focus area for Capillary, with approximately 40% of FY26 new customers referred by systems integrators and consulting partners, and payback on new-customer acquisition cost now at approximately 14 months at roughly 70% gross margin at maturity. As industry-leading customer acquisition costs are driven by adopting innovative AI technologies and practices across sales and marketing, combined with a sharp focus on the targeted customer set across geographic regions.

Expansion Within Existing Accounts. Net revenue retention is expanded through three channels within its existing base: inflationary price increases and platform usage overages; cross-sell and upsell of Engage+, Insights+, Rewards+, and aiRA; and the addition of new brands and geographies within existing accounts. This farming motion accounted for 44% of new annual contract value in FY26, resulting in Organic Net Revenue Retention (NRR) at 114%, which reflects healthy expansion and deep adoption of the core platform among customers already on Capillary.

Profitability Levers

Beyond organic net-revenue-retention-linked margin expansion, the Company continues to benefit from operating leverage on the more-than-60% of its cost base technology, sales and marketing, and corporate overhead that does not scale proportionally with revenue, and from the margin uplift generated as acquired books (approximately 30% gross margin as-acquired) are migrated onto the native Capillary platform (65–70% gross margin at steady state). These indirect costs have grown only 14% year-on-year in FY26 against 23% revenue growth (see Section 5). Their share in total expenses has been shrinking, from 72% in FY24 to 69% in FY25 to 66% in FY26.

Capital Allocation

Capital allocation is guided by four principles: funding approximately 20% organic growth, integrating acquired platforms, maintaining a six-month liquidity buffer, and holding new acquisitions to a return-on-invested-capital gate of 20% or higher.

Opportunities and Threats

Generative AI's disruption of the broader SaaS industry is a sector-wide theme, and it has two key implications for its business.

First, the core platform's positioning as the system of record owning the points ledger, the underlying data, and the platform of record those other systems must plug into is inherently more durable against AI disintermediation than point-solution or workflow-layer tools that AI agents can more easily replicate or route around.

Second, and more actively, aiRA's outcome-based pricing model turns what could be a threat into a competitive advantage: because aiRA is priced on usage and outcomes rather than per seat, the Company is structurally positioned to win as enterprises shift AI-related spend away from seat-based tools and toward vendors who price on demonstrated value- a dynamic the Company is leaning into more and more.

A separate and distinct risk arises from its own growing reliance on AI and aiRA: the potential for output errors or misuse in an agentic system, intellectual-property exposure, and the ongoing cost of complying with AI-specific regulation such as the EU AI Act. The Companys manages this through human-in-the-loop controls on higher-stakes agent actions and continued investment in harness development and governance.

Customer and vertical concentration in large enterprise accounts is an ongoing consideration. However, the Company continues to grow and expand across regions. Additionally, the Companys diversifies its revenue across a larger set of customers.

M&A integration and execution risk continues alongside the Company's acquisitive growth strategy, including purchase-accounting-driven depreciation and amortization step-ups (as seen with the Kognitiv acquisition) and the SessionM integration now under way. It also continues to build out the governance, disclosure, and compliance obligations that come with its first year as a listed public Company.

7. Business and Financial Performance Review

Revenue growth of 22.8% was driven by the organic net-revenue-retention and new-logo motion described in Section 6, together with an 11-month contribution from the Kognitiv acquisition. EBITDA grew faster than revenue, reflecting the operating leverage discussed in Section 5, and profit before tax and profit for the year both benefited additionally from the one-off Kognitiv indemnity receipt.

Operating Metrics

Net revenue retention was 110% on a blended, trailing-twelve-month basis. This blended figure combines two quite different dynamics: organic net revenue retention of 114%, which reflects healthy expansion and deep adoption of the core platform among customers already on Capillary, and inorganic net revenue retention of 94% among customers still being migrated from acquired platforms such as Brierley, where the Company expects some churn and renegotiation of contracts with one-time discounts as those customers

move onto the Capillary platform, and includes this within the Company's projections. Organic revenue, from customers that are already on the Capillary platform, is now approximately 75% of the total business.

New annual contract value was ₹1214 million in FY26, up 35% year-on-year excluding one large healthcare client onboarded in FY25. Customer acquisition cost as a percentage of new annual contract value improved to 16.9%, from 17.9% in FY25. Organic revenue grew to ₹5479 million, a 42% compound annual growth rate from ₹1907 million in FY23. Subscription gross margin was 67.2%, up from 66.4% in FY25.

The Company reports a single IndAS 108 operating segment ("CRM services"); the organic/inorganic and net-revenue-retention metrics above are internally tracked management measures rather than a financial statement disclosure.

Balance Sheet

Total assets grew to ₹13,002 million as at 31 March 2026, from ₹8,387 million a year earlier. Goodwill increased to ₹3,096 million (from ₹1,885 million) and other intangible assets to ₹1,386 million (from ₹1,030 million), reflecting the Kognitiv acquisition. Total equity increased 80% to ₹10,235 million (from ₹5,682 million), reflecting inflows from the initial public offering, while total borrowings reduced to ₹447 million (from ₹1,001 million). On these figures, the current ratio improved to 2.8x for FY26 from 1.67x for FY25, and the debt-equity ratio improved to 0.04x from 0.18x.

Cash and Liquidity

On a combined basis, cash and bank balances together with current investments totaled approximately ₹4,830 million at year-end, comprising cash and cash equivalents of ₹358 million (FY25: ₹2,141 million), other bank balances from fixed and demand deposits of ₹3,232 million, and current investments of ₹1,246 million.

Cash Flow

Operating cash flow swung from an outflow of ₹462 million in FY25 to an inflow of ₹1,499 million in FY26, a turnaround that reflects the Company's improving underlying profitability more directly than the EBITDA growth alone. Investing activities used ₹6,140 million, principally funding the Kognitiv acquisition (₹1,472 million, net of the ₹250 million indemnity received), building the fixed-deposit and investment book referenced above (approximately ₹4,460 million combined), and capital expenditure of ₹394 million. Financing activities generated ₹2,705 million, primarily net IPO proceeds of ₹3,313 million (₹3,451 million gross, less ₹138 million of issue expenses), partly offset by ₹497 million of net debt and lease repayment and finance costs.

Headline Financial Performance (Consolidated, Audited)

₹ in millions

Metric	FY26 (millions)	FY25 (millions)	YoY	Commentary
Revenue from operations	7345.99	5982.59	+22.79%	Comprises retainership and other services (₹6,562 million), installation revenue (₹720 million) and campaign services on an agent basis (₹63.70 million)
EBITDA	1065.85	785.73	+35.65%	Growth driven by 11-month of Kognitiv cost-synergy realisation and operating leverage on largely fixed cost base, which grew only 14% against 23% revenue growth (see Section 5)
Profit before tax	511.10	106.82	378.45%	Includes a ₹249.60 million exceptional gain (Kognitiv acquisition churn indemnity see note below); tax expense was a net credit of ₹12.8 million (FY25: net credit of ₹34.70 million)
Profit for the year	523.88	132.80	+294.48%	Growth reflects both the ₹249.6 million exceptional Kognitiv churn indemnity gain and underlying operating improvement; profit before tax still grew materially year-on-year excluding the exceptional item
Normalized PAT	323	14.2	+128.0%	
Basic earnings per share	₹6.94	₹1.81	—	
Diluted earnings per share	₹6.87	₹1.79	—	

An exceptional item of ₹249.6 million — compensation received under the Kognitiv acquisition agreement's Churn Indemnity Clause, following the seller's non-fulfillment of certain commitments — is included within profit before tax; FY25 had no exceptional item.

Key Financial Ratios

Ratio	FY26	FY25	Variance	Reason for variance
Current Ratio	2.80	1.67	+67.9%	IPO proceeds temporarily held as current investments and bank balances sharply increased current assets relative to current liabilities
Trade Receivable Turnover Ratio	4.30	3.90	10.2%	
Trade Payables Turnover Ratio	4.61	3.85	19.6%	
Inventory Turnover	NA	NA		
Debt-Equity Ratio	0.04	0.18	(75.2%)	Repayment of borrowings during the year, combined with the increase in equity following the IPO
Debt Service Coverage Ratio (normalised)[1.1]	11.42	7.32	56.0%	Reflects increase in Net Operating Income YoY

Ratio	FY26	FY25	Variance	Reason for variance
Interest Service Coverage Ratio	7.01	2.58	171.9%	Reflects increase in EBIT YOY, combined with reduction in Finance costs
Operating Profit Margin %	4.15%	2.92%	123bps	Led by improvements in operating leverage
Net Profit Margin %	7.13%	2.22%	491bps	Net Profit includes ₹ 249.6 million of exceptional income
Return on Capital Employed	8.82%	4.56%	426bps	Reflects much higher increase in Profitability YoY in comparison to increase in Capital Employed post IPO
Return on Net Worth	5.12%	2.34%	278bps	Reflects much higher increase in Profitability YoY in comparison to increase in Net Worth post IPO
Return on Equity	6.58%	2.40%	174.4%	Led by increase in Net Profit for the year with relatively moderate increase in Average Equity

8. Human Resources

Headcount and Talent

The Company employed 689 people worldwide across 16 global offices as of 31 March 2026. Consolidated employee benefit expense, which includes employee stock option charge alongside salaries and other staff costs, was ₹3,539 million in FY26, up 19.75% from ₹2,955 million in FY25 — broadly in line with headcount growth and the leadership additions made during the year.

The Company continues to focus on attracting, developing, and retaining talent across business, technology, sales, and marketing functions at different levels of experience. Its recruitment process follows a structured evaluation framework comprising technical interviews, aptitude assessments, and managerial discussions, supported by comprehensive background verification through third-party agencies. Alongside talent acquisition, the Company places strong emphasis on continuous capability building to ensure its workforce remains aligned with evolving market requirements.

Capillary Academy, the Company's dedicated Learning & Development function, remained the central platform for continuous learning, capability enhancement, and career progression. Its learning and development initiatives are designed to strengthen role-specific competencies and support the development of a high-performing organization. During the year, the Academy conducted client-specific product training programs for the CS teams and customers, particularly for key brands in the US, to strengthen product understanding and improve self-serve capabilities, thereby enhancing product adoption and ease of use. The Company also promotes a structured and consistent learning environment that supports employee development and helps the workforce achieve organizational goals and targets. Among its key learning initiatives was the leadership development process through the EEE Model.

As part of its continued investment in talent and leadership, FY 2026 witnessed the introduction of personalized coaching programs for top talent and JEDI/senior managers to align individual development with organizational priorities. The Company also conducted a first-time manager development program focused on strengthening leadership capabilities in communication, delegation, performance management, and conflict resolution.

Diversity and inclusion remain integral to the Company's operating model, with women representing 24% of its workforce. Around 16% of employees are located outside India across 12 overseas office locations and in 16 Indian offices including Bangalore, Mumbai, Mysore, Gurgaon. During the year, the Company started a new initiative on providing cross-cultural awareness training to employees across the globe, starting from offshore delivery centre (ODC) managers in Mysore. The Company also made significant progress in HR technology integration to enable seamless data flows and improve operational efficiency.

Wellbeing and Life Beyond Work

To support employee well-being, the Company provides term and life insurance coverage to all employees, along with medical insurance for employees and their families. It also offers a 24x7 health helpline and employee assistance program that provide technical, psychological, and operational support, reinforcing its commitment to employee health and well-being.

"Life Beyond Numbers" (LBN) is the employee wellbeing program with the philosophy of focusing on creating a sustainable, high-performing environment. Initiatives under LBN extend beyond traditional benefits, prompting preventive care, mental resilience, and active lifestyles while supporting work-life balance. These include mental wellness and mindfulness programs, FitCap health and fitness ecosystem, sports and engagement platforms, and flexible policies supporting work-life harmony. During the year, key initiatives included a six-month development journey program built

9. Risk Management

Risks description		Mitigation strategy
Customer Concentration Risk	A significant share of the Company's revenue is derived from a limited set of customers. The loss of key customers, reduction in business volumes or contract terminations may adversely impact revenue and overall business performance.	The Company seeks to build and sustain long-term customer relationships through reliable service delivery, timely execution, and a clear understanding of customer needs
Product Innovation Risk	The Company's success depends on its ability to continuously develop and innovate its products in a timely and cost-efficient manner. Any delay or failure in innovation may adversely affect operations and financial performance.	The Company seeks to build and sustain long-term customer relationships through reliable service delivery, timely execution, and a clear understanding of customer needs
People Risk	The workforce is integral to its sustainable growth. Challenges in attracting, retaining, developing or motivating skilled personnel could impact business continuity and effectiveness.	The Company remains focused on attracting, nurturing, and retaining talent by promoting continuous learning, strengthening employee capabilities, and prioritising employee well-being
Revenue generation risk	The Company derives most of its revenue from select industry verticals. A slowdown in demand within these sectors could constrain overall revenue growth.	The Company actively tracks changing market trends and customer preferences to identify emerging opportunities and support sustainable growth initiatives
Compliance Risk	The Company operates under multiple Indian and international regulations governing data privacy and security. Failure to comply with these requirements could result in penalties and reputational or operational setbacks.	The Company maintains compliance with applicable data security and privacy requirements through established processes and continued adherence to relevant legal obligations
Relationship Management Risk	Growth depends on cultivating and maintaining strong partnerships as well as expanding sales and marketing networks. Weaknesses in relationship management could limit business expansion and market reach.	The Company has implemented structured training programmes for new and prospective hires to strengthen relationship management skills and support the development of business partnerships

on Dr. Martin Seligman's PERMAH framework, the "Root & Rise" program for employees under 30 in their first three years at the Company, and "Founder Circles" - small-group sessions hosted by a founder. The Company also has a policy for ten days of annual leave available for Vipassana meditation retreats, and a dedicated 24/7 meditation space at the Bengaluru office.

10. Internal Control Systems and Their Adequacy

The Company's internal financial control over financial reporting was operating effectively as at 31 March 2026, with no material weaknesses identified. Controls have been further strengthened in connection with the Company's listing, including alignment to the SEBI LODR compliance framework and oversight by the Audit Committee.

Given the acquisition-led growth, goodwill and other intangible assets arising from the Persuade, Brierley, Rewards+, Kognitiv and SessionM transactions of ₹3,095.80 mn of goodwill and ₹1,385.60 mn of other intangible assets as at 31 March 2026 are tested for impairment annually as a critical accounting estimate.

IT general controls relevant to the Company's cloud-native platform are aligned to an enterprise-grade security posture: it is ISO 27001:2022, PCI DSS 4.0.1, SOC 1 Type 2 and SOC 2 Type 2 certified, and compliant with GDPR and CCPA, with regional data-residency controls, role-based access, two-factor authentication, end-to-end audit logging and personal-data masking ahead of any AI or model call, and cyber security governance reporting periodically to the Audit Committee.

11. Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, including with respect to net revenue retention, annual recurring revenue, Adjusted EBITDA, and organic and inorganic revenue growth,may be forward-looking within the meaning of applicable securities laws. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

Business Responsibility & Sustainability Reporting Format

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: **L72200KA2012PLC063060**
2. Name of the Listed Entity: **Capillary Technologies India Limited**.
3. Year of incorporation: **2012 (Two Thousand and Twelve)**.
4. Registered office address: **#360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout , Bengaluru South, Karnataka, India, 560102**.
5. Corporate address: **#360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout , Bengaluru South, Karnataka, India, 560102**.
6. E-mail: secretarial@capillarytech.com
7. Telephone: +91 80 4122 5179
8. Website: https://www.capillarytech.com/
9. Financial year for which reporting is being done: 2025-26
10. Name of the Stock Exchange(s) where shares are listed: **National Stock Exchange of India Limited. And BSE Limited**.
11. Paid-up Capital: ₹ **158.82 mn**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report : **Bhargavi Reddy Gireddy Company Secretary & Compliance Officer**. Phone: **+91 80 4122 5179**. E-mail: secretarial@capillarytech.com
13. Reporting boundary: **Disclosures under this report made on a standalone basis unless otherwise stated**.
14. Name of assessment or assurance provider: **Non-Applicable for the financial year 2025-26**.
15. Type of assessment or assurance obtained: **Non-Applicable for the financial year 2025-26**.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
01.	Information Technology and Communication	IT consulting, Computer programming, consultancy and related activities	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
01.	IT consulting, Computer programming, consultancy and related activities	58201	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	00	04	04
International	00	12	12

19. Markets served by the entity:

a. Number of locations

Locations	Number
International (No. of Countries)	49

b. What is the contribution of exports as a percentage of the total turnover of the entity?

93.0% is contributed by exports in our total turnover.

c. A brief on types of customers

Capillary Technologies serves large and mid-sized enterprises globally through our AI-powered customer loyalty and engagement platform. Our customers, typically consumer-facing brands, use our platform to run their loyalty and rewards programs, understand consumer behaviour, and deliver personalised offers and communication across stores, applications, websites, and other channels to keep their end-consumers engaged and loyal. Our customer base spans across industry verticals including Retail (Apparel, Footwear, Hypermarkets, Luxury and others), Healthcare, BFSI & Telecommunications, Consumer Packaged Goods (CPG), Fuel Retail, Travel, Automobile & Hospitality and multi-brand Conglomerates.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled)*:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	689	536	77.80 %	153	22.20%
2.	Other than Permanent (E)**	152	84	55.27%	68	44.73%
3.	Total employees (D + E)	841	620	73.73%	221	26.27%

*The Company's workforce is categorized as 'Employees', and none as 'Workers'.

** Other than permanent employees include contractors.

b. Differently abled Employees and workers:

Declaring disability status is entirely voluntary for employees. The number of differently abled employees shown here includes only those who have opted to declare their disability. Consequently, there were No differently abled employees working with the Company as of March 31, 2026.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67 %
Key Management Personnel*	3	1	33.33 %

*Key Managerial Personnel includes the Managing Director & CEO, (who is also a Board Member), the Chief Financial Officer and the Company Secretary.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025 - 26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16%	11%	15%	14%	20%	16%	18%	16%	18%
Permanent Workers	18%	15%	17%	16%	12%	14%	13%	20%	18%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Capillary Technologies International Pte Ltd, Singapore	Holding Company*	49.70%	No
2.	Capillary Pte Ltd., Singapore	Subsidiary Company	100 %	No
3.	Capillary Technologies DMCC, UAE	Step-down subsidiary	100%	No
4.	Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Step-down subsidiary	100%	No
5.	PT Capillary Technologies Indonesia, Indonesia	Step-down subsidiary	100%	No
6.	Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited)	Step-down subsidiary	100%	No
7.	Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc.)	Step-down subsidiary	100%	No
8.	Capillary Technologies Inc,USA	Step-down subsidiary	100%	No
9.	Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC'), USA	Step-down subsidiary	100%	No
10.	Capillary Technologies (Shanghai) Co. Ltd, China	Step-down subsidiary	100%	No
11.	Kognitiv Solutions Inc.	Step-down subsidiary (w.e.f. 1 May 2025)	100%	No

*Holding company until November 21, 2025.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Not applicable as the provisions relating to Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 are not applicable to the Company for the reporting year, as the Company does not meet the prescribed applicability criteria.

(ii) Turnover - ₹2,118.90 mn

(iii) Networth - ₹8232.04 mn

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place	FY 2025-26 Current Financial Year				FY 2024-25 Previous Financial Year		
		(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	-	0	0	NA	NA		
Investors (other than shareholders)	Yes	https://www.capillarytech.com/investors/corporate-governance/board-committees/	0	0	NA			
Shareholders	Yes	https://www.capillarytech.com/investors/corporate-governance/board-committees/	152	0	All complaints were resolved			
Employees and workers	Yes	https://www.capillarytech.com/wp-content/uploads/2026/04/01.-Vigil-Mechanism-policy.pdf	0	0	NA			
Customers	NA	-	0	0	NA			
Value Chain Partners	NA	-	0	0	NA			
Other (please specify)	NA	-	0	0	NA			

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data privacy & cybersecurity	R	Core operations involve processing large customer datasets	Strong IT security, encryption, audits, compliance frameworks	**POSITIVE Implications**
2.	Regulatory compliance	R	Multi-jurisdiction operations	Compliance programs, legal monitoring, Adopting to the latest amendments	**POSITIVE Implications**
3.	Technology infrastructure reliability	R	SaaS uptime critical	Cloud redundancy, DR systems	**POSITIVE Implications**
4.	Talent retention	R	Attrition affects delivery and innovation	Skilled workforce is key asset	**POSITIVE Implications**
5.	Environmental footprint	R	Data centers consume energy	Green cloud, efficiency measures	**POSITIVE Implications**

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y								
b. Has the policy been approved by the Board? (Yes/No)	Y								
c. Web Link of the Policies, if available	https://www.capillarytech.com/investors/corporate-governance/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	NA at this point								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Annual refresher training at 100% on compliance, providing improved learning and training experiences year on year to different employee groups based on requirements and reporting.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	100% completion of mandatory compliance trainings.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure). We understand the importance of sustainable practices for business, & have embarked on our journey by covering all aspects of environment, social & governance. We are committed to driving sustainability throughout the value chain by associating with our suppliers, partners, customers and the communities we serve.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility Committee								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The composition of CSR Committee is as under: Mr. Peeyush Ranjan – Chairman and Independent Director Mr. Anant Choubey – Whole Time Director, CFO and COO Mr. Venkat Ramana Tadanki – Independent Director								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director /Committee of the Board/ Any other Committee									Frequency(Annually/ Half yearly/ Quarterly/ Any other please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performanceagainstabove policies and follow up action	Committee of the Board									Half Yearly								
Compliance with statutory requirements of relevance to the principles, and,rectification of any non-compliances	The Company ensures compliance with all the statutory requirements																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	NO								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	01	Familiarization Programme	100 %
Key Managerial Personnel	01	Periodical refreshers for KMPs: - Code of Conduct - POSH - Whistleblower Policy	100 %
Employees other than BoD and KMPs	01	Orientation session for all new joiners and periodical refreshers for all existing employees: - Code of Conduct, - POSH - Whistleblower policy	100 %
Workers	NA		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL; No material cases were received during the reporting period.				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL; No material cases were received during the reporting period.			
Punishment				

3. **Of the instances disclosed in Question2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
NA	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

https://www.capillarytech.com/wp-content/uploads/2026/04/Anti-Bribery-and-Anti-Corruption-Policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest: **NIL**

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Particulars	FY 2025-26		FY 2024-25	
	Number	Remark	Number	Remark
NA			NA	

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY (Current Financial Year)	FY (Previous Financial Year)
Number of days of accounts payables	NA	NA

The Company operates in the Software-as-a-Service (SaaS) industry and does not maintain a separate classification of the direct cost of services procured for the purpose of computing the above ratio. Employee benefit expenses and vendor costs comprise both direct service delivery costs and indirect administrative/support costs, and a reliable segregation is not available. Accordingly, the number of days of accounts payable has not been computed, as the denominator prescribed under the formula cannot be determined reliably.

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NIL	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NIL	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases(Purchases with related parties / Total Purchases)		
	b. Sales (Sales to related parties / Total Sales)		
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)		
	d. Investments (Investments in related parties / Total Investments made)		

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively. (All amounts in Indian Rupees (₹) million)**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	NA
Capex	0	0	NA

2. a. Does the entity have procedures in place for sustainable sourcing? **No**

   b. If yes, what percentage of inputs were sourced sustainably?

   As a responsible corporate entity, the Company strives to minimize its environmental impact throughout its operations.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

   (a) Plastics (including packaging) – **NA**

   (b) E-waste - **As an online platform company, Capillary's operations generates minimal amount of E-Waste. However, the Company has implemented clear protocols for the safe management of any electronic waste that arises. The majority of this waste is directed to authorised recyclers, ensuring its secure and responsible disposal. Additionally, Capillary sells its IT waste whenever feasible to the buyers as buyback and in return expect revenue by selling these old laptops**.

   (c) Hazardous waste - **NA**

   (d) other waste. - **NA**

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities - **NO**

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. - **NO**

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	536	536	100%	536	100%	0	0	536	100%	NA	
Female	153	153	100%	153	100%	153	100%	0	0		
Total	**689**	**689**	**100%**	**689**	**100%**	**153**	**100%**	**536**	**100%**		
Other than Permanent employees											
Male	84	84	100%	84	100%	0	0	84	100%	NA	
Female	68	68	100%	68	100%	68	100%	0	0		
Total	**152**	**152**	**100%**	**152**	**100%**	**68**	**100%**	**84**	**100%**		

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	NA										
Female											
Total											
Other than Permanent workers											
Male	NA										
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)in the following format

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	2.18%	1.54%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0	Yes	100%	0	Yes
Gratuity	100%	0	NA	100%	0	NA
ESI	0	0	N	0	0	N
Others please specify	NA					

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company's office is well-equipped with ramps, lifts, and other necessary facilities to support the movement of differently-abled individuals, in compliance with the requirements of the Rights of Persons with Disabilities Act, 2016

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

NO

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	No
Other than Permanent	No
Employees	Yes, through our HRMS system they can raise their queries & Concerns
Other than Permanent Employees	Yes, through our HRMS system they can raise their queries & Concerns

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Not applicable

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	Not Applicable					
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Male	536	-	-	536	100%	479	-	-	479	100%
Female	153	-	-	153	100%	169	-	-	169	100%
Total	**689**	**-**	**-**	**689**	**100%**	**648**	**-**	**-**	**648**	**100%**
Workers										
Male	NA									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	536	536	100%	479	479	100%
Female	153	153	100%	169	169	100%
Total	**689**	**689**	**100%**	**648**	**648**	**100%**
Workers						
Male	NA					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

NA

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

NA

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

NA

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

YES

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers		
Total recordable injuries work-related	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

*Including in the contract workforce

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

Handbook, health camps, first aid, fire exits, induction deck, fire drill, emergency response team

1. A comprehensive Employee Handbook outlines safety protocols and health-related guidelines
2. Regular health camps are organized to promote employee wellness.
3. First aid kits are easily accessible across office premises.
4. Clearly marked fire exits are in place for safe evacuation during emergencies.
5. The Induction Deck includes safety and emergency preparedness information for all new joiners.

13. **Number of Complaints on the following made by employees and workers:**

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL			NIL		
Health & Safety						

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities orthird parties)
Health and safety practices	NA
Working Conditions	NA

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

NA

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Openness, transparency, and integrity are the basis of the Company's stakeholder engagement approach. The Company ensures that stakeholder engagement is a continuous process –undertaken throughout the year - and has organization-wide reach as well as impact. A robust process is followed for identifying and prioritizing the stakeholders to develop short, medium and long-term sustainable strategies. The Company recognizes the importance of trust-based relationships and ensure transparent, timely and relevant engagement and communication with all the stakeholders. This also helps the Company understand both the explicit and tacit needs of stakeholders, which in turn inform strategic and operational decisions.

The management team connects with diverse stakeholders through formal and informal mechanisms. The Stakeholders' Relationship Committee maintains oversight of the overall engagement process. Stakeholder inputs are also considered into the Company's materiality assessment process, offering insights into stakeholder outlook and future risks. This process creates a framework for the business heads to identify and report on key stakeholder concerns. These inputs are critical for identifying the topics that are material to the Company's business.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers/ Fleet owner	NO	Websites, E-mails, social media, Virtual Meetings	As required	To resolve stakeholder query & address their grievances.
Investors/ Shareholders	NO	Annual shareholders meetings Periodic investor presentations and conference calls. Regulatory audits and inspections	Annually, quarterly and as and when required	To stay abreast of developments in the Company & its subsidiary companies.
Vendor	NO	E-mails, Virtual Meetings, phone calls	As and when required	-
Suppliers	NO	Supplier and vendor meetings, binding agreement policies, IT-enabled information sharing tools and recognition platforms, dialogue on industry initiatives, calls, and training and workshops.	As required	To resolve query & address their grievances.
Employees	NO	Employee newsletters Intranet portal Employee resource groups Regular employee communication forums Annual employee surveys	Frequently	To be available for employee grievance & feedback.
Government and Regulatory Authorities	NO	Public policy advocacy Making representations whenever needed Formal dialogues	As required	Compliance with laws and regulations Contributing to nation development
Communities	NO	Voluntary community initiatives Community events	As required	Community welfare activities Employment opportunities

PRINCIPLE 5:

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	689	689	100%	533	533	100%
Other than permanent	152	152	100%	115	115	100%
Total Employees	**841**	**841**	**100%**	**648**	**648**	**100%**
Workers						
Permanent	NA					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	689	0	0%	689	100%	533	0	0%	533	100%
Male	536	0	0%	536	100%	415	0	0%	415	100%
Female	153	0	0%	153	100%	118	0	0%	118	100%
Other than Permanent	0	0	0%	0	0	0	0	0%	0	0
Male	0	0	0%	0	0	0	0	0%	0	0
Female	0	0	0%	0	0	0	0	0%	0	0
Workers										
Permanent	NIL									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

(₹ in millions)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	3.00	1	2.70
Key Managerial Personnel	2	28.42	1	7.19
Employees other than BoD and KMP	529	1.58	151	1.22
Workers	NA			

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	18%	16.5%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?** (Yes/No)

NA at this point of time

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Through our HRMS system they can raise their queries & Concerns

6. **Number of Complaints on the following made by employees and workers:**

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 25-26 Current Financial Year	FY 24-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013(POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   1. The organization enforces strict confidentiality and A non-retaliation policy to protect complainants
   2. The complainant, Compliance Officer, members of audit committee and everyone involved in the process shall maintain confidentiality of all matters in the regard
   3. Any form of retaliation against individuals who raise concerns in good faith is treated as a serious violation

9. **Do human rights requirements form part of your business agreements and contracts?**

Yes, the Company's business agreements and contracts include provisions for upholding human rights.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Statutory compliance / Internal audit
Forced/involuntary labour	Internal audit / Third-party audit
Sexual harassment	Internal POSH committee
Discrimination at workplace	Internal audit / HR review
Wages	Statutory audit / Payroll compliance audit
Others please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. - NA

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	NA	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	108222 units	14952 units
Total fuel consumption (E)	NA	NA
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non- renewable sources (D+E+F)	108222 units	NA
Total energy consumed (A+B+C+D+E+F)	108222 units*	14952 units*
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	NA	
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output		
Energy intensity (optional) the relevant metric may be selected by the entity		

Note: 1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

***Important Note:**

All figures and data presented in the above table are approximate in nature and have been provided by the Owner of the Premises. The Company has relied upon such information in good faith for the purpose of reporting under the BRSR framework.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **NO**

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	**NA**	**NA**
Total volume of water consumption (in kilolitres)	**19,20,000 Ltrs.**	**13,20,000 Ltrs.**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	NA	NA
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NA	NA
Water intensity in terms of physical output	NA	NA
Water intensity (optional) the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **NA**

Important Note:

All figures and data presented in the above table are approximate in nature and have been provided by the Owner of the Premises. The Company has relied upon such information in good faith for the purpose of reporting under the BRSR framework.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	NA	NA
- With treatment please specify level of treatment	NA	NA
(ii) To Groundwater	0	0
- No treatment	NA	NA
- With treatment please specify level of treatment	NA	NA
(iii) To Seawater	0	0
- No treatment	NA	NA
- With treatment please specify level of treatment	NA	NA
(iv) Sent to third-parties	0	0
- No treatment	NA	NA
- With treatment please specify level of treatment	NA	NA
(v) Others	0	0
- No treatment	NA	NA
- With treatment please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No, our offices being (a multi-tenant facility), do not have a zero liquid discharge mechanism through a sewage treatment plant (STP). We don't have operational control over this STP.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	NA	NA	NA
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **NO**

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	NA		
Total Scope 1 and Scope 2emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : **NA**

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. – Not at this point.**

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	NA	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	**0**	**0**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **NO**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. **NO**

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non- compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	NA	NA	NA	NA

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body)the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	NIL	NIL

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	NA	

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
		NA			

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
			NA			

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Capillary Technologies India Limited., employs multiple channels to receive and address grievances from its stakeholders. However, the Company has not undertaken any CSR-related projects or expenses due to continuous losses in previous financial years, and the average net profit over the past three financial years has been negative. Stakeholders with any queries or grievances may contact the Company's Investor Relations team at investorrelations@capillarytech.com

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	NA	NA
Directly from within India	NA	NA

5. **Job creation in smaller towns Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	-	-
Semi-urban	-	-
Urban	689	648
Metropolitan	-	-

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has in place a clearly defined system for appropriate redressal of customer complaints.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. **Details of instances of product recalls on account of safety issues: NA**

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy?**

   Yes, web-link of the policy - https://www.capillarytech.com/privacy-policy/

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. – NA**

7. **Provide the following information relating to data breaches:**

   - Number of instances of data breaches: **No instances of data breach**
   - Percentage of data breaches involving personally identifiable information of customers: **Nil**
   - Impact, if any, of the data breaches: **Nil**

Independent Auditor's Report

To
The Members of
Capillary Technologies India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Capillary Technologies India Limited** ('the Company'), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow, the Standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the Key Audit Matter to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Capitalisation of Internally generated intangible assets	
Refer note 4 to the accompanying standalone financial statements. In accordance with Ind AS 38 – Intangible Assets ('Ind AS 38'), the Company has capitalized internally generated intangible assets comprising software and application platform development cost amounting to ₹ 366.15 million during the year ended March 31, 2026. The development costs are capitalised only when the capitalisation criteria prescribed under Ind AS 38 is met. The assessment involves significant management judgment on matters such as technical feasibility, intention and ability to complete the development of such intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably including costs incurred for new enhancements and upgrades to existing platforms.	Our key audit procedures in relation to the capitalisation of internally generated intangible assets included, but were not limited to, the following: • Obtained an understanding of the management's process and procedures related to the initial recognition criteria for internally generated intangible assets as per Ind AS 38, allocation and measurement of time recorded on development and establish the basis for such capitalization. • Evaluated the design, implementation, and tested operating effectiveness of key controls over recognition and, classification of development expenditure and monitoring of capitalised intangible assets, including controls over impairment assessment.

Key Audit Matter	How our audit addressed the Key Audit Matter
We have identified capitalisation of such assets as a Key Audit Matter for the current year's audit considering the materiality of amounts involved, significant risk identified, significant judgements being involved for initial recognition and measurement of these assets.	• Performed inquires with management regarding key judgements, assumptions and estimates made in capitalizing development costs around technical feasibility, project documentation etc. and assessed the reasonableness of such judgements, assumptions and estimates; • On a sample basis, tested the amount capitalized during the year from the underlying records and evaluated the key assumptions used by the management to capitalise such costs; • Evaluated the appropriateness of the useful economic lives attributed to such internally generated intangible assets; and • Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements including disclosure of significant assumptions and judgements used by the Company in accordance with the requirements of applicable Indian Accounting Standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central

Government of India in terms of Section 143(11) of the Act we give in the **Annexure I**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in **Annexure I**, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers of the Company maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under Section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2026 and the operating effectiveness of such controls, refer to our separate report in **Annexure II** wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, as detailed in note 31 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at March 31, 2026;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026;

        iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 38(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 38(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended March 31, 2026.

vi. Based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on or after April 01, 2025, has used accounting software for maintaining its books of accounts (accounting records and payroll records) which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, except for matter mentioned below, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

The accounting software used for maintenance of accounting records is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 26210122BGLCOX3293

Bengaluru
May 06 2026

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Capillary Technologies India Limited on the standalone financial statements for the year ended March 31, 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and right-of-use assets under which the assets are physically verified in a phased manner over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property including investment properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 14 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 50 mn by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act in respect of loans granted, guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been delays relating to goods and services tax. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of Section 138 of the Act.

b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

Further, based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC .

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions , nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 26210122BGLCOX3293

Bengaluru
May 06, 2026

Annexure II to the Independent Auditor's Report of even date to the members of Capillary Technologies India Limited on the standalone financial statements for the year ended March 31, 2026

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Capillary Technologies India Limited ('the Company') as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to standalone financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2026, based on internal financial control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 26210122BGLCOX3293

Bengaluru
May 06, 2026

Standalone Balance Sheet

as at March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	23.64	29.09
(b) Intangible assets	4	689.17	700.65
(c) Right-of-use assets	3	27.99	32.51
(d) Intangible assets under development	4	-	-
(e) Financial assets			
(i) Investments	5	4,214.08	4,173.88
(ii) Other financial assets	6	234.53	225.84
(f) Other tax assets	7	134.40	79.88
(g) Other non-current assets	11	0.41	0.69
Total non-current assets		**5,324.22**	**5,242.54**
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	8	768.31	444.53
(ii) Cash and cash equivalents	9	104.14	107.85
(iii) Bank balances other than (ii) above	10	3,232.40	-
(iv) Other financial assets	6	69.26	46.78
(b) Other current assets	11	147.93	78.88
Total current assets		**4,322.04**	**678.04**
Total assets		**9,646.26**	**5,920.58**
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	12	158.81	146.65
(b) Other equity	13	8,073.23	4,630.54
Total equity		**8,232.04**	**4,777.19**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	15	6.06	12.02
(b) Provisions	16	105.59	67.55
Total Non-current Liabilities		**111.65**	**79.57**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	447.21	517.38
(ii) Lease liabilities	15	22.91	21.15
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises;	17	9.43	13.23
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	646.73	398.98
(iv) Other financial liabilities	18	105.81	51.36
(b) Other current liabilities	19	51.51	45.89
(c) Provisions	16	18.97	15.83
Total current liabilities		**1,302.57**	**1,063.82**
Total liabilities		**1,414.22**	**1,143.39**
Total equity and liabilities		**9,646.26**	**5,920.58**
Summary of material accounting policies	2.3		

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner

Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

		Notes	For the Year ended March 31, 2026	For the year ended March 31, 2025
I	**Income**			
	Revenue from operations	20		
	- Service income from group companies		1,603.62	1,252.09
	- Retainership and other services		444.80	419.73
	- Installation revenue		61.15	53.04
	- Revenue from campaign services		9.33	16.05
	Other income	21	105.78	122.37
	Total income (I)		**2,224.68**	**1,863.28**
II	**Expenses**			
	Professional and consultancy expenses		213.89	205.41
	Software and server charges		110.65	137.61
	Employee benefit expenses	22	1,225.96	959.34
	Other expenses	25	174.24	105.09
	Total expenses (II)		**1,724.74**	**1,407.45**
III	**Earnings before interest expense, taxes, depreciation and amortisation (EBITDA)**		**499.94**	**455.83**
	Finance costs	23	36.48	66.06
	Depreciation and amortisation expenses	24	434.56	354.71
			471.04	**420.77**
IV	**Profit before tax**		**28.90**	**35.06**
V	**Tax expenses**			
	(a) Current tax	26	-	-
	(b) Deferred tax charge	26	-	-
	Total tax expenses		**-**	**-**
VI	**Profit for the Year (IV - V)**		**28.90**	**35.06**
VII	**Other comprehensive loss**			
	Items that will not be reclassified to profit or loss:			
	(i) Re-measurement loss on defined benefit plan		(1.19)	(4.24)
	Total other comprehensive loss for the year (net of tax) (VII)		**(1.19)**	**(4.24)**
VIII	**Total comprehensive profit for the year (net of tax) (VI + VII)**		**27.71**	**30.82**
IX	**Earnings per share (EPS) (face value - ₹ 2 each)**			
	Basic (In ₹ per share)	27	0.38	0.48
	Diluted (In ₹ per share)	27	0.38	0.47
Summary of material accounting policies		2.3		

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

Aasheesh Arjun Singh
Partner

Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aneesh Reddy
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

A. Equity share capital

	Number of shares (in millions)	Amount
Balance at April 1, 2024	**73.23**	**146.46**
Issuance of share capital (refer note 12(a)1)	-	0.19
As at March 31, 2025	**73.23**	**146.65**
As at April 1, 2025	**73.32**	**146.65**
Issuance of share capital (refer note 12(a)1)	5.98	11.97
Exercise of share based options (refer note 12(a)1)	0.10	0.19
As at March 31, 2026	**79.40**	**158.81**

B. Other equity

	Attributable to the equity shareholders - Reserves and surplus				
	Retained earnings / (Accumulated deficit)	**Capital contribution from the Holding Company***	**Securities premium**	**Share based payment reserve**	**Total other equity**
Balance as at April 1, 2024	**(2,973.87)**	**928.58**	**5,880.75**	**672.61**	**4,508.07**
Profit for the year	35.06	-	-	-	35.06
Other comprehensive loss for the year (net of taxes)**	(4.24)	-	-	-	(4.24)
Total comprehensive loss for the year	**30.82**	**-**	**-**	**-**	**30.82**
Contributions and distributions					
Issuance of share capital (refer note 12(a)1)	-	-	49.73	-	49.73
Share based payment expenses (refer notes 22 and 29)	-	-	-	46.03	46.03
Surrender of share based options and re-purchase, net	343.18	-	-	(375.20)	(32.02)
Capital contribution in subsidiaries (refer notes 5 and 32)	-	-	-	27.91	27.91
Total contributions and distributions	**343.18**	**-**	**49.73**	**(301.26)**	**91.65**
Balance as at March 31, 2025	**(2,599.87)**	**928.58**	**5,930.48**	**371.35**	**4,630.54**

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

B. Other equity (Contd..)

	Attributable to the equity shareholders - Reserves and surplus				
	Retained earnings / (Accumulated deficit)	Capital contribution from the Holding Company*	Securities premium	Share based payment reserve	Total other equity
Balance as at April 1, 2025	**(2,599.87)**	**928.58**	**5,930.48**	**371.35**	**4,630.54**
Profit for the year	28.90	-	-	-	28.90
Other comprehensive loss for the year (net of taxes)**	(1.19)	-	-	-	(1.19)
Total comprehensive profit for the year	**27.71**	**-**	**-**	**-**	**27.71**
Contributions and distributions					
Issuance of share capital (refer note 12(a)1)	-	-	3,438.03	-	3,438.03
Offer issue expenses (refer note 12(a)1)	-	-	(137.84)	-	(137.84)
Exercise of share based options (refer note 12(a)1)	-	-	32.74	(32.74)	-
Share based payment expenses (refer notes 22 and 29)	-	-	-	74.59	74.59
Capital contribution in subsidiaries (refer notes 5 and 32)	-	-	-	40.20	40.20
Total contributions and distributions	**-**	**-**	**3,332.93**	**82.05**	**3,414.98**
Balance as at March 31, 2026	**(2,572.16)**	**928.58**	**9,263.41**	**453.40**	**8,073.23**

* Post listing of the Company (w.e.f. November 21, 2025) , Capillary Technologies International Pte Ltd ceases to hold more than 50% of the Company's equity.

**As required under Ind AS Schedule III, the Company has recognised remeasurement gains / (losses) of defined benefit plans as part of retained earnings.

Summary of material accounting policies 2.3

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122
Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy
Managing Director & CEO
DIN: 02214511
Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413
Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091
Place: Bengaluru
Date: May 06, 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	**28.90**	**35.06**
Adjustments for :		
Depreciation and amortisation expenses (refer note 24)	434.55	354.70
Loss allowances under expected credit loss model	(2.89)	(1.12)
Share-based payments (refer note 22)	41.85	41.91
Liabilities no longer required, written back	1.89	-
Profit on sale of investments (refer note 21)	-	(50.13)
Net gain on sale of property, plant and equipment	0.03	0.24
Unrealized exchange loss/(gain) on foreign currency translations (net)	36.75	18.10
Interest income on income tax refund (refer note 21)	-	(2.05)
Interest income on corporate deposit (refer note 21)	-	25.18
Interest income on bank deposit	(83.09)	(11.87)
Finance costs	31.71	60.84
Operating profit before working capital changes	**489.70**	**470.86**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(310.50)	(28.25)
(Increase)/Decrease in other assets and other financial assets (current and non-current)	(91.25)	0.44
Increase/(Decrease) in trade payable	242.06	140.39
Increase/(Decrease) in other liabilities	5.62	(18.55)
Increase/(Decrease) in other financial liabilities and Provisions	94.42	(11.74)
Cash generated from/(used in) operations	**430.05**	**553.15**
Direct taxes (paid)/refund	(54.52)	(34.77)
Net cash generated from/(used in) operating activities (A)	**375.53**	**518.38**
B. Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets	(386.46)	(477.29)
Proceeds from sale of property, plant and equipment	1.83	-
Purchase of non-current investments	-	-
Sale / (Purchase) of current investment, net	-	749.37
Corporate deposits placed	-	(400.00)
Proceeds from redemption of corporate deposits	-	799.99
Investments in subsidiary	-	(1,282.05)
Investment in fixed deposits	(3,158.00)	-
Change in other bank balances	-	(92.81)
Net cash used in investing activities (B)	**(3,542.63)**	**(702.79)**
C. Cash flow from financing activities		
Proceeds from issue of share capital, (including security premium)	3,345.08	49.92
Repayment of Non Convertible Debentures (NCDs)	-	(352.48)
Payment of principal and interest portion of lease liabilities (refer note 30)	(35.67)	(28.90)
Proceeds / (repayment) from current borrowings (net)	(27.26)	14.55
Finance costs paid	(28.71)	(58.06)
Surrender /re-purchase of share based options, net	-	(32.02)
Net cash generated from/(used in) financing activities (C)	**3,253.44**	**(406.99)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**86.34**	**(591.40)**
Cash and cash equivalents at the beginning of the year	12.13	603.53
Cash and cash equivalents at the end of the year	**98.47**	**12.13**
Components of cash and cash equivalents		
Balances with banks (refer note 9)	104.14	107.85
Less: Bank overdraft	(5.67)	(95.72)
Total cash and cash equivalents (net of bank overdraft)	**98.47**	**12.13**

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	As at April 1, 2025	Cashflows	Non-cash movement	As at March 31, 2026
Non-current borrowings (including current maturities)	-	-	-	-
Current borrowings (excluding current maturities)	517.38	(27.26)	(42.91)	447.21

	As at April 1, 2024	Cashflows	Non-cash movement	As at March 31, 2025
Non-current borrowings (including current maturities)	352.48	(352.48)	-	-
Current borrowings (excluding current maturities)	405.28	14.55	97.55	517.38

Summary of material accounting policies 2.3

The above standalone statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7,"Statement of cash flows".

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

Aasheesh Arjun Singh
Partner

Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aneesh Reddy Boddu
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

1. Corporate Information

Capillary Technologies India Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at #360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, HSR Layout, Bengaluru, Bengaluru South, Karnataka, India, 560102.

The Company are primarily engaged in the business of providing cloud based intelligent customer engagement software solutions to retail chain operators.

The Standalone Financial Statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the Directors on May 6, 2026.

2. Basis of preparation of standalone financial Statements

2.1 Basis of preparation

The Standalone Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind As) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provision of the Companies Act, 2013, as applicable. Accordingly, the Company has prepared these standalone financial statements which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended March 31, 2026, and a summary of material accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements').

The Standalone Financial Statements have been prepared using the material accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The Standalone Financial Statements have been prepared on an accrual basis and under the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Standalone Financial Statements are presented in ₹ and all values are rounded to the nearest millions (₹ 000,000), except when otherwise indicated.

The Company has prepared the Standalone Financial Statements on the basis that it will continue to operate as a going concern.

Measurement of Earnings before interest expense, tax, depreciation and amortisation (EBITDA)

As permitted by the Guidance Note on Division II-Ind AS Schedule III to the Companies Act, 2013, the Company has elected to present Earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the standalone statement of profit and loss. In its measurement of EBITDA, the Company includes other income but does not include depreciation and amortization expense, finance costs, tax expenses/ (credit), net and exceptional items, if any.

2.2 Statement of compliance with Ind AS

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Ind AS prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2.3 Summary of Material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

All other assets are classified as non-current

A liability is current when:

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

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as Current and non- current.

b. Fair value measurement

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature,

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

c. Revenue recognition

Revenue from operations is recognised when control of the services are transferred to the customer at a transaction price that reflects the consideration to which the Company expects to be entitled in exchange for those services.. To determine when to recognise revenue, the Company follows the following 5-step process:

- Identifying the contract with a customer
- Identifying the underlying performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The transaction price of services rendered is net of variable consideration. The transaction price for a contract excludes any amounts collected on behalf of third parties. 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 services before transferring them to the customer.

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

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

Income from services

(i) Retainership services

The Company is engaged in the business of providing cloud based intelligent customer engagement software solutions. Revenue is recognized over the specified subscription period or on the basis of underlying services performed, as the case may be, in accordance with the arrangement with the customers. The Company recognises revenue for a sales-based or usage-based royalty promised in the contract only when (or as) the subsequent sale or usage occurs.

(ii) Campaign services

The Company provides SMS campaign services that are bundled together with the retainer services. The Company recognises revenue based on the usage of messaging services i.e., when the Company's services are used based on the specific terms of the contract with customers.

The Company recognises revenue either on a gross or net basis depending on the nature of its role in the transaction, in accordance with Ind AS 115. Revenue is recorded on a gross basis when the Company acts as a principal in the transaction, meaning it has control over the services before they are transferred to the customer.

Revenue is recorded on a net basis when the Company acts as an agent, facilitating a transaction between a supplier and the customer. In this case, the revenue is recorded as the net amount retained after deducting the cost of services provided by the supplier.

The determination of whether revenue is recognised on a gross or net basis is assessed on a transaction-by-transaction basis, considering specific terms and conditions of each arrangement

(iii) Installation services

The Company provides a one-time installation services that are bundled together with the retainership services. The Company recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

to them. The Company uses an input method in measuring progress of the installation services because there is a direct relationship between the Company's effort and the transfer of service to the customer. The Company recognises revenue on the basis of the milestone achieved which correlates with efforts expended relative to the total expected efforts to complete the service.

In contracts with customers where the retainership, campaign services and installation services are bundled together, the Company has applied the guidance in Ind AS 115 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract and its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price.

The Company has assessed its revenue arrangements based on the substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

(iv) Service income from Group Companies

The Company has appointed subsidiaries as Limited Risk Distributor to sell, use and offer to sale, display and market the platform in their territories. The Company has agreed to maintain an agreed upon profitability in the subsidiaries for the revenue derived from the Capillary Loyalty Platform.

Other income

(i) Interest income

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

(ii) Dividend income

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

Contract balances

Contract assets

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

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

Trade receivables

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

Deferred contract costs

Deferred contract costs are incremental costs that are associated with acquiring customer contracts and consists primarily of sales commissions to employees and certain referral fees paid to third-party resellers. Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate

Notes to the Standalone Financial Statements

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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 Standalone Statement of Profit and Loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the services to which the contract costs relates less the costs that relate directly to providing the services 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 a year or less.

Contract liabilities

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

d. Taxes on income

Current income tax

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

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

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

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

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

e. Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. All other repairs and maintenance are charged to Standalone Statement of Profit and Loss during the reporting period in which they are incurred.

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

Depreciation is calculated on a written down value over the estimated useful lives of the assets as follows which is as per Schedule II of Companies Act, 2013.

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

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

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

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

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

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation

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method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. The amortisation expense on intangible assets is recognised in the Standalone Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss, when the asset is derecognised.

Internally generated intangible assets

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Standalone Statement of Profit and Loss in the year in which the expenditure is incurred.

Software product development is expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably. The costs which can be capitalised including the cost of employees and overhead costs that are directly attributable to preparing the asset for its intended use.

The Company has identified certain intangibles which are being internally generated. In the research phase of an internal project, an entity cannot demonstrate that an intangible asset exists that will generate probable future economic benefits. Therefore, this expenditure is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) its intention to complete the intangible asset and use or sell it.

(c) its ability to use or sell the intangible asset.

(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Company had completed the research and acceptance phase and the projects are in the development phase. The Company has done evaluation of the internally generated software and concluded on being treated as intangible assets. Refer note 4 for further disclosure.

Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of three years. Amortisation expense is recognised in the Standalone Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Sl. No.	Block	Useful lives estimated by the management (in years)
1	Computer software	5
2	Internally generated intangible assets	3

Patent

Patents and licenses are measured on initial recognition at professional charges incurred on registration of such patents in connection with

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the Company customer servicing methodology and if the registration of the patent is under progress, the same is recognised as Intangible assets under development.

g. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

h. **Leases**

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

Company as a lessee

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

Right-of-use assets

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies stated under 'Impairment of non-financial assets'.

Lease liabilities

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

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

Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12

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months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i. Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

Impairment losses are recognised in the Standalone Statement of Profit and Loss.

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

j. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable

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that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss net of any reimbursement.

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

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

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

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

Provisions and contingent liability are reviewed at each Balance Sheet.

In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

k. Retirement and other employee benefits

Short-term employee benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in Standalone Statement of Profit and Loss in the period in which the employee renders the related service.

Defined contribution plans

Eligible employees of the Company in India participate in a defined contribution plan (Provident Fund) in accordance with the regulatory requirements in India. Both the employee and the Company contribute to the fund at a specified percentage of the employee's salary

The Company has no further obligation under defined contribution plans beyond the contributions made under these plans.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or

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on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

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

Past service costs are recognised in Standalone Statement of Profit and Loss on the earlier of:

a) The date of the plan amendment or curtailment, and

b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone Statement of Profit and loss

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b) Net interest expense or income.

l. Financial instruments

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

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

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

Effective interest method

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

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(i) **Financial assets**

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the Standalone Statement of Profit and Loss.

For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the Balance Sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

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

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

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

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in Standalone Statement of Profit or Loss.

(ii) **Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting

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all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

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

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

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

Off-setting of financial instruments

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

m. Segment reporting

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

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

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

n. Cash and cash equivalents

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

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o. Share-based payments

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate Black-Scholes valuation model.

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

Standalone Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

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

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

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

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

p. Foreign currencies

The Company's Standalone Financial Statements are presented in ₹, which is also the Company's functional currency.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Standalone Statement of Profit and Loss.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

q. Earnings per share

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

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

r. Initial Public Offering (IPO) Transaction cost

The costs of an IPO that involves both issue and listing of new shares and listing the existing equity shares has been accounted for as follows:

- Incremental costs that are directly attributable to issuing new shares has been deducted from equity (net of any income tax benefit).
- Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, has been recorded as an expense in the standalone statement of profit and loss as and when incurred.
- Costs that relate to both share issuance and listing has been allocated between those functions on a rational and consistent basis i.e. based on proportion of new shares issued to the total number of (new and existing) shares listed.

2.4 Material accounting judgements, estimates and assumptions

The preparation of the Company's Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Estimates and assumptions (cont'd)

a. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Standalone Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cashflows Model (DCF

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 for further disclosures.

b. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 31 for further disclosures.

c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plan operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 28.

d. Provision for expected credit losses of trade receivables and contract assets

The Company estimates the credit allowance as per practical expedient based on the historical credit loss experience as enumerated in note 9(1).

e. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. Refer note 30 for further disclosures.

f. Share-based payments

The Company measures the cost of equity settled transactions with employees at the grant date using a Black Scholes model

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

for General Employee Share Option Plan (GESP) and 'Capillary Employees Stock Option Scheme' - 2021 (CESP). This estimation also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, risk free interest rate, volatility, dividend yield and time value of money and making assumptions about them. The assumptions and model used for estimating the fair value of the share based payments are disclosed in note 30.

g. Capitalisation of internally generated software

The Company has identified certain intangibles which are being internally generated. In the research phase of an internal project, an entity cannot demonstrate that an intangible asset exists that will generate probable future economic benefits. Therefore, this expenditure is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) its intention to complete the intangible asset and use or sell it.

(c) its ability to use or sell the intangible asset.

(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Company had completed the research and acceptance phase and the projects are in the development phase. The Company has done evaluation of the internally generated software and concluded on being treated as intangible assets. Refer note 4 for further disclosure.

h. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 26 for further disclosures.

The Company has carried forwarded tax losses. The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

i. Cash flow statement

Cash flows are reported using indirect method, whereby net profits/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

2.5 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

3 Property, Plant and Equipment and Right of use assets

A. Reconciliation of carrying amounts

Particulars	Right of use of assets	Property, Plant and Equipment			
	Buildings	Computers	Office equipments	Leasehold improvements	Total
Gross block					
As at April 1, 2024	**59.63**	**40.55**	**2.59**	**0.56**	**43.70**
Additions during the year	31.99	28.71	1.62	-	30.33
Disposals during the year	-	(3.43)	(0.92)	-	(4.35)
As at March 31, 2025	**91.62**	**65.83**	**3.29**	**0.56**	**69.68**
As at April 1, 2025	**91.62**	**65.83**	**3.29**	0.56	**69.68**
Additions during the year	29.16	16.99	2.63	-	19.62
Disposals during the year	-	(16.34)	-	-	(16.34)
As at March 31, 2026	**120.78**	**66.48**	**5.92**	**0.56**	**72.96**
Accumulated depreciation					
As at April 1, 2024	**31.50**	**22.37**	**1.01**	**0.56**	**23.94**
Charge for the year	27.61	19.69	1.08	-	20.77
Disposals for the year	-	(3.29)	(0.83)	-	(4.12)
As at March 31, 2025	**59.11**	**38.77**	**1.26**	**0.56**	**40.59**
As at April 01, 2025	**59.11**	**38.77**	**1.26**	**0.56**	**40.59**
Charge for the year	33.68	21.54	1.70	-	23.24
Disposals for the year	-	(14.51)	-	-	(14.51)
As at March 31, 2026	**92.79**	**45.80**	**2.96**	**0.56**	**49.32**
Carrying amounts					
As at March 31, 2025	**32.51**	**27.06**	**2.03**	**-**	**29.09**
As at March 31, 2026	**27.99**	**20.68**	**2.96**	**-**	**23.64**

4 Intangible assets and Intangible assets under development ("IAUD")

A. Reconciliation of carrying amounts

Particulars	Computer software	Internally generated assets	Total	Intangible asset under development*
Gross block				
As at April 1, 2024	**6.48**	**952.86**	**959.34**	**31.10**
Additions during the year	-	271.68	271.68	177.59
Disposals during the year	-	-	-	-
Capitalization during the year	-	208.69	208.69	(208.69)
As at March 31, 2025	**6.48**	**1,433.23**	**1,439.71**	**-**
As at April 01, 2025	**6.48**	**1,433.23**	**1,439.71**	**-**
Additions during the year	-	366.15	366.15	-
Disposals during the year	-	-	-	-
Capitalization during the year	-	-	-	-
As at March 31, 2026	**6.48**	**1,799.38**	**1,805.86**	**-**
Accumulated amortisation				
As at April 1, 2024	**5.46**	**427.27**	**432.73**	**-**
Charge for the year	0.44	305.89	306.33	-
Disposals for the year	-	-	-	-
As at March 31, 2025	**5.90**	**733.16**	**739.06**	**-**
As at April 01, 2025	**5.90**	**733.16**	**739.06**	**-**
Charge for the year	0.12	377.51	377.63	-
Disposals for the year	-	-	-	-
As at March 31, 2026	**6.02**	**1,110.67**	**1,116.69**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

4 Intangible assets and Intangible assets under development ("IAUD") (Contd..)

Particulars	Computer software	Internally generated assets	Total	Intangible asset under development*
Carrying amounts				
As at March 31, 2025	**0.58**	**700.07**	**700.65**	**-**
As at March 31, 2026	**0.46**	**688.71**	**689.17**	**-**

a. Internally generated intangible assets capitalised and intangible assets under development comprise of the following:

Particulars	For the year ended March 31, 2026	
	Internally generated assets[1]	Intangible asset under development
Salaries, wages and bonus	281.69	-
Share-based payments	6.97	-
Software and server charges	62.34	-
Professional and consultancy expenses	15.15	-
	366.15	**-**

Particulars	For the year ended March 31, 2025	
	Internally generated assets[1]	Intangible asset under development
Salaries, wages and bonus	265.36	50.38
Share-based payments	9.04	-
Software and server charges	47.66	-
Professional and consultancy expenses	158.31	127.21
	480.37	**177.59**

[1]Includes ₹ nil millions (March 31, 2025: ₹ 208.69 millions) capitalised from Intangible assets under development.

b. Intangible assets under development (IAUD) ageing schedule

As at March 31, 2026

Not applicable

As at March 31, 2025

Not applicable

There are no projects on each reporting year where activity has been suspended considering the nature of Intangible asset under development, there are no projects as on the reporting period which has exceeded cost as compared to the original plan or where completion is overdue.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

5 Non-current investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investments at cost		
Unquoted equity shares (refer note 32)		
3,260.22 millions (March 31, 2025: 3,260.22 millions) equity shares of Capillary Pte Ltd., Singapore[1,2]	4,066.78	4,066.78
Capital contribution in subsidiaries (refer notes 29 and 32)		
Capillary Technologies DMCC, UAE	37.11	24.71
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	26.91	25.12
PT Capillary Technologies Indonesia	2.41	1.83
Capillary Pte Limited., Singapore	0.04	0.04
Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC'), USA	33.12	23.43
Capillary Brierley Inc. (formerly known as 'Brierley and Partners Inc.'), USA	30.00	19.47
Capillary Technologies Europe Limited ((formerly known as 'Brierley Europe Ltd')	17.71	12.50
Aggregate book value of unquoted investments	**4,214.08**	**4,173.88**

Notes:

[1] During the previous year ended March 31, 2025, the Board of Directors of the Company has approved the investments by way of subscription of shares of Capillary Pte. Ltd, Singapore ('CPL') amounting to USD 18 millions, out of which, USD 15 millions (₹ 1,282.05 millions) has been invested during the previous year.

6 Financial assets at amortised cost

Unsecured considered good unless otherwise stated

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Bank deposits with remaining maturity greater than 12 months[1]	233.17	224.22
Security deposits	1.36	1.62
Total	**234.53**	**225.84**
Current		
Financial instruments At amortised cost		
Security deposits	8.53	7.85
Other receivables from related parties (refer note 32)[2]	38.34	32.24
Advances to employees	0.02	0.38
Interest accrued on deposits	22.37	6.31
Total	**69.26**	**46.78**

[1]Represents bank deposits under lien against short term borrowings bearing interest rate ranging from 4.00% to 7.50% (March 31, 2025 - 7.40% to 7.50%).

[2]Other receivables from related parties are non-interest bearing and are generally on terms of upto 90 days.

7 Other tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income-tax	134.40	79.88
Total	**134.40**	**79.88**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

8 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
- Trade Receivables considered good - Unsecured[1,2,3,4]	768.31	444.53
- Trade Receivables- credit impaired- Unsecured[1,2,3,4] (refer note 8.1)	3.33	6.22
	771.64	**450.75**
Less: Expected credit loss allowance (refer note 8.1)	(3.33)	(6.22)
Total trade receivables	**768.31**	**444.53**
- Receivables from related parties - Unsecured/Considered good (refer note 32)	619.32	285.37
- Others	148.99	159.16
Total trade receivables	**768.31**	**444.53**

Notes

1 Trade receivables are non-interest bearing and are generally on terms of upto 90 days.

2 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Also refer note 33.

3 Trade receivables includes unbilled revenue of ₹ 641.83 millions at March 31, 2026 (₹ 283.36 millions at March 31, 2025) (Refer note 8.2 below)

4 There are no disputed trade receivables as on March 31, 2026 and March 31, 2025

8.1 Expected credit loss allowance

Movement in expected credit loss allowance under simplified approach are provided in the table below:

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	6.22	7.34
Provision made during the year	2.82	0.47
Reversed during the year	(5.71)	(1.59)
At the end of the year	**3.33**	**6.22**

8.2 Trade receivables ageing schedule

As at March 31 2026

Particulars	Unbilled*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables								
- considered good	371.00	355.24	40.35	1.15	0.56	0.01	-	768.31
- credit impaired	-	0.01	0.03	1.92	0.90	0.47	-	3.33
Total	**371.00**	**355.25**	**40.38**	**3.07**	**1.46**	**0.48**	**-**	**771.64**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

8 Trade receivables (Contd..)

As at March 31, 2025

Particulars	Unbilled*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables								
- considered good	283.36	126.67	29.60	3.06	1.08	0.76	-	444.53
- credit impaired	-	-	0.40	0.59	5.23	-	-	6.22
Total	**283.36**	**126.67**	**30.00**	**3.65**	**6.31**	**0.76**	**-**	**450.75**

* Unbilled revenue primarily relates to the Company's rights to consideration for work completed but not billed at the reporting date.

9 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
- Balances with banks[1]	21.14	107.85
Earmarked accounts		
- Balances with banks[2]	83.00	-
Total cash and cash equivalents	**104.14**	**107.85**

[1] Funds amounting to ₹ 5.17 millions remitted by Capillary Technologies LLC before March 31, 2026 were in transit as at the reporting date, as the credit was not received in the Company's account until after the year-end.

[2] Represents the restricted amount pertains to the offer related expenses which is kept in a separate bank account.

10 Other bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked accounts*		
- Fixed deposit	3,232.40	-
Total other bank balances	**3,232.40**	**-**

*Represents the primary funds raised during the year through a public offer. These funds have been set aside and are held in a demand deposits pending their utilisation in accordance with the objects of the issue.

11 Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Non-current		
Others (Unsecured, considered good)		
Deferred contract costs*		
- considered good	0.39	0.69
- considered doubtful	-	-
Prepaid expenses	0.02	-
Total	**0.41**	**0.69**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

11 Other assets (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good		
Advances recoverable in cash or kind		
- considered good	5.03	28.00
- considered doubtful	-	-
Deferred contract costs*		
- considered good	1.06	0.61
- considered doubtful	-	-
Prepaid expenses	65.42	41.94
Balance with statutory/ government authorities	76.42	8.33
Total	**147.93**	**78.88**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred contract costs		
At the beginning of the year	1.30	1.56
Additions during the year	1.44	0.67
Amortised during the year	(1.29)	(0.93)
At the end of the year	**1.45**	**1.30**
The same is shown under:		
Current	1.06	0.61
Non-current	0.41	0.69

12 Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
Authorized				
Equity shares of ₹ 2 each	125.00	250.00	125.00	250.00
Preference shares of ₹ 10 each	0.10	1.00	0.10	1.00
Total	**125.10**	**251.00**	**125.10**	**251.00**
Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 2 each	79.40	158.81	73.32	146.65
Total	**79.40**	**158.81**	**73.32**	**146.65**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

12 Equity share capital (Contd..)

(a) Issued share capital

(i) Reconciliation of the number of shares outstanding as at beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
Equity shares outstanding as at the beginning of the year	**73.32**	**146.65**	**73.23**	**146.46**
Issuance of share capital [1]	5.98	11.97	0.09	0.19
Exercise of share based options[2]	0.10	0.19	-	-
Equity shares outstanding as at the end of the year	**79.40**	**158.81**	**73.32**	**146.65**

[1] During the year ended March 31, 2026, the Company has completed its Initial Public Offering (IPO) comprising a fresh issuance of 5,982,635 equity shares with a face value of ₹ 2 each and Offer for Sale of 9,228,796 Equity Shares of face value of ₹ 2 each. These shares were offered at an issue price of ₹ 549-577 per share, which also included 38,095 equity shares reserved for eligible employees. The Company raised a total of ₹ 8,775.01 millions (including ₹ 3,450 millions with respect to fresh issuance of Equity Shares) and the Company's equity shares were subsequently listed on the BSE Ltd. and National Stock Exchange of India Limited with effect from November 21, 2025.

Consequently, the Company received an amount of ₹ 3,229.08 millions (net of Company's share of IPO expenses amounting to ₹ 220.92 millions). The Company has utilised an amount of ₹ 0.13 millions for the year ended March 31, 2026.The net proceeds received pending utilisation as at March 31, 2026 (invested in fixed deposits to the extent of ₹ 3,228.90 millions and balance ₹ 0.05 millions of balance in monitoring bank account).

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2026	Unutilised as at March 31, 2026
Funding for cloud infrastructure cost	1,430.00	-	1,430.00
Investment in research, designing and development of our products and platform	715.81	-	715.81
Investment in purchase of computer systems for our business	103.42	-	103.42
Funding inorganic growth through unidentified acquisitions and general corporate purposes	979.85	0.13	979.72
Net proceeds (net of IPO expenses)	**3,229.08**	**0.13**	**3,228.95**

Note:

Of the total IPO expenses, an amount of ₹ 137.85 millions adjusted with securities premium and ₹ 32.36 millions charged off to the Statement of profit and loss.

[2] Pursuant to the approval of Board of Directors dated January 18, 2025, the Company approved the allotment of 94,785 equity shares of face value of ₹ 2 each at a price of ₹ 526.7 per equity share (including securities premium of ₹ 524.7 per equity share) for an amount aggregating to ₹ 49.92 millions on a private placement basis under the provisions of the Companies Act, 2013 and all other applicable laws and regulations.

(ii) Shares held by the Holding Company*

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held (in millions)	Amount (₹)	No. of shares held (in millions)	Amount (₹)
Capillary Technologies International Pte Ltd (CTIPL), Singapore				
Equity shares of ₹ 2 each fully paid (March 31, 2025: Equity shares of ₹ 2 each fully paid)	-	-	49.14	98.27

* Post listing of the Company (w.e.f. November 21, 2025) , Capillary Technologies International Pte Ltd ceases to hold more than 50% of the Company's equity.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

12 Equity share capital (Contd..)

(iii) Details of share held by each shareholder more than 5% shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held (in millions)	% holding in the class	No. of shares held (in millions)	% holding in the class
Equity shares of ₹ 2 each (March 31, 2025 : ₹ 2 each), fully paid				
Capillary Technologies International Pte Ltd, Singapore[1]	39.47	49.70%	49.14	67.00%
Trudy Holdings (Formerly known as Avataar Holdings)	2.60	3.28%	3.29	4.49%
Ronal Holdings LLC (Formerly known as Avataar II Co Investment II Ltd)	5.52	6.96%	5.52	7.54%
AVP Fund II (Formerly known as Avataar Venture Partners II)	4.04	5.09%	4.04	5.52%

As per the records of the Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

[1] Excludes 24 share held by Mr. Sridhar Bollam (as a nominee).

(iv) Disclosure of shareholding of promoters

Promoter name	No. of shares at the beginning of the year (in millions)	Change during the year	No. of shares at the end of the year (in millions)	% of total shares	% change during the year
Capillary Technologies International Pte Ltd, Singapore					
March 31, 2026	49.14	(9.67)	39.47	49.70%	(17.30%)
March 31, 2025	51.07	(1.93)	49.14	67.00%	(2.74%)

(v) Rights, preference and restriction attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share (March 31, 2025: ₹ 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) Rights, preference and restriction attached to preference shares

The Company had only one class of preference shares having par value of ₹ 10 per share.

Each compulsorily convertible preference share had a par value of ₹ 10 and was convertible at the option of the Company into equity shares of the Company prior to the expiry of 20 years from the date of such issuance.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

12 Equity share capital (Contd..)

The preference shares carried a dividend of 0.01% per annum. Dividend was to be paid as and when it is paid and declared on the equity shares. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

(vii) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2026	As at March 31, 2025
Equity shares allotted for conversion of external commercial borrowing (Number of shares, in millions)	-	-

(viii) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the Company, (refer note 29).

13 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings / (Accumulated deficit)		
Opening balance	(2,599.87)	(2,973.87)
Profit/ (Loss) for the year	28.90	35.06
Other comprehensive loss for the year -Remeasurement gain/(losses) on defined benefit obligations (net of tax)	(1.19)	(4.24)
Add: Surrender of share-based options and re-purchase, net	-	343.18
	(2,572.16)	**(2,599.87)**
Capital contribution from CTIPL	**928.58**	**928.58**
Securities premium		
Opening balance	5,930.48	5,880.75
Add: Issuance of share capital (refer note 12(a)[1]	3,438.03	49.73
Add: Offer issue expenses (refer note 12(a)[1])	(137.84)	-
Add: Exercise of share based options (refer note 12(a)[1])	32.74	-
	9,263.41	**5,930.48**
Share based payment reserve		
Opening balance	371.35	672.61
Share based payment expenses (Note 29)	74.59	46.03
Capital contribution in subsidiaries (refer note 5 and 32)	40.20	27.91
Surrender of share-based options and re-purchase, net	-	(375.20)
Exercise of share based payments	(32.74)	-
	453.40	**371.35**
Total other equity	**8,073.23**	**4,630.54**

Nature and purpose of reserves

13.1 Retained earnings/(Accumulated deficit)

Retained earnings are the losses that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

13.2 Capital contribution from CTIPL

CTIPL had a share option scheme under which it granted employee stock options to certain employees of the Company without any cross charge. Capital contribution from the CTIPL is used to recognise the value of equity-settled share-based payments provided to employees of the Company, including key management personnel, as part of their remuneration, by the CTIPL. refer note 32 for further details.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

13 Other equity (Contd..)

13.3 Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium as per the provision of Companies Act, 2013. This reserve is utilised in accordance with the provisions of the Act

13.4 Share based payment reserve

The share based payment reserve is used to recognize the grant date fair value of options issued to employees of the Company under Employee Stock Option Plan.

14 Borrowings*

Particulars	As at March 31, 2026	As at March 31, 2025
	Current	Current
Secured		
Debentures		
Bank overdraft [1]	5.67	95.72
Working capital from banks [2]	441.54	421.66
Total	**447.21**	**517.38**

Interest and security notes to Borrowings:

[1] The Company has availed a bank overdraft facility carrying interest rate linked to the interest rate of the underlying fixed deposits (provided as security) + 150 basis points. The loans are secured by way of hypothecation of stocks, bills, book debts and receivables and fixed deposits held as margin moneys. The statements of current assets filed monthly with banks are in agreements with the book of accounts.

[2] The Company has availed bank overdrafts facility from various banks, sales invoice discounting facility and pre/post shipment credit facility carrying interest at REPO as reference rate and Secured Overnight Financing Rate (SOFR) plus 175 to 180 basis points per annum. The sales invoice discounting facility and pre/post shipment credit facilities is payable in 180 days from the disbursement of the loan or the due date of the discounted invoice, whichever is earlier. The loans are secured by way of hypothecation of stocks, bills, book debts and receivables and fixed deposits held as margin moneys by a bank. Further, the loan is also secured by way of a pari pasu first charge over all the existing and future current assets (excluding receivables discounted by other banks) and moveable fixed assets. The statement of current assets filed quarterly with banks are in agreements with the book of accounts.

*The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

15 Lease Liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
At amortised cost				
Lease liabilities	6.06	22.91	12.02	21.15
Total	**6.06**	**22.91**	**12.02**	**21.15**

For changes in liabilities arising from financing activities and maturity analysis. refer note 30

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

16 Provisions

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Employee Benefits - Gratuity (refer note 28)	105.59	13.19	67.55	10.98
Employee Benefits - compensated absences	-	5.78	-	4.85
Total	**105.59**	**18.97**	**67.55**	**15.83**

17 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Total outstanding dues of:		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 17.1)	9.43	13.23
- Dues to related parties (refer note 32)	532.24	285.01
- Total outstanding dues of creditors other than micro enterprises and small enterprises	114.49	113.97
Total	**656.16**	**412.21**

Trade payables are non-interest bearing and are normally settled on terms upto 90 days.

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the Balance Sheet date.

The Company does not have any disputed payables as at March 31, 2026 and March 31, 2025.

17.1 Disclosure as per the MSMED Act, 2006

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	9.43	13.23
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

17 Trade payables (Contd..)

Trade payables ageing schedule

As at March 31, 2026	Unbilled	Outstanding for following periods from the date of the transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Total outstanding dues of micro enterprises and small enterprises	-	9.43	-	-	-	9.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	106.33	539.54	0.37	0.49	-	646.73
	106.33	**548.97**	**0.37**	**0.49**	**-**	**656.16**

As at March 31, 2025	Unbilled	Outstanding for following periods from the date of the transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Total outstanding dues of micro enterprises and small enterprises	-	13.23	-	-	-	13.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	83.49	313.05	0.81	1.63	-	398.98
	83.49	**326.28**	**0.81**	**1.63**	**-**	**412.21**

18 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Accrued salaries and benefits	60.56	51.36
Others*	45.25	-
Total	**105.81**	**51.36**

*Represents the provision amount payable against the IPO offer expenses.

19 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Contract liabilities - Deferred revenue (refer note 20.3)	27.57	19.60
Statutory dues payable	23.64	26.29
Other customer deposits	0.30	-
Total	**51.51**	**45.89**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

20 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of services		
Service income from group companies (refer note 32)	1,603.62	1,252.09
Retainership and other services from external customers	444.80	419.73
Installation revenue	61.15	53.04
Revenue from campaign services	9.33	16.05
Total	**2,118.90**	**1,740.91**

20.1 Disaggregated revenue information

Set out below is the disaggregated of the company's revenue from contracts with customer based on geography:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	515.28	488.82
Outside India	1,603.62	1,252.09
Total	**2,118.90**	**1,740.91**

20.2 Timing of revenue recognition

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Services transferred over time	2,109.57	1,724.86
Services transferred at a point in time	9.33	16.05
	2,118.90	**1,740.91**

20.3 Contract balances

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables (including unbilled revenue)	768.31	444.53
Deferred revenue	27.57	19.60

Movement in Contract liabilities - Deferred revenue	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	19.60	42.05
Add: Revenue to be recognised from performance obligations to be satisfied in succeeding year	27.57	19.60
Less: Revenue recognised that was included in contract liability at the beginning of the year	(19.60)	(42.05)
Closing balance	**27.57**	**19.60**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

21 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income under effective interest rate method		
- Interest income on bank deposits	83.09	11.87
- Interest income on security deposits	0.85	0.58
- Interest income on corporate deposits	-	25.18
- Profit on sale of investments (net)	-	50.13
- Gain on account of foreign exchange fluctuations (net)	-	18.10
- Provisions/liabilities no longer required written back	1.89	-
- Profit on sale of property, plant and equipments (net)	0.03	0.62
- Interest income on income tax refund	-	2.05
- Other miscellaneous income	19.92	13.84
Total	**105.78**	**122.37**

22 Employee benefit expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	1,052.35	858.62
Contribution to provident funds (refer note 28)	13.50	11.81
Share-based payments (refer note 29)	67.80	41.91
Gratuity expenses (refer note 28)	46.18	20.16
Staff welfare expenses	46.13	26.84
Total	**1,225.96**	**959.34**

23 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on borrowings (refer note 32)	31.71	60.84
Interest expense on lease liabilities (refer note 30)	3.00	2.78
Bank charges	1.77	2.44
Total	**36.48**	**66.06**

24 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Property, plant and equipment (refer note 3)	23.46	20.77
Amortisation of Intangible assets (refer note 4)	377.42	306.33
Depreciation on Right of use assets (refer note 3)	33.68	27.61
Total	**434.56**	**354.71**

25 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Travelling and conveyance	39.32	45.68
Business promotion expenses	16.07	8.73
Loss allowances under expected credit loss model	2.83	2.82
Property, plant and equipment written off	1.29	0.25

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

25 Other expenses (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rates and taxes	5.24	3.17
Auditor's remuneration (refer note 25(a))	6.25	7.38
Freight charges	-	-
Loss on account of foreign exchange fluctuations	36.75	-
Sitting fees to non-executive directors (refer note 32)	5.70	3.50
Directors commission	-	-
Insurance expenses	0.59	6.56
Miscellaneous expenses	60.20	27.00
Total	**174.24**	**105.09**

25 (a) Auditor's remuneration (exclusive of goods and service tax and out of pocket expenses)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor:		
Statutory audit*	5.50	5.50
Limited review	0.75	-
Certifications	0.04	0.08
Other assurance services	-	1.80
Total	**6.29**	**7.38**

* Note: The above exclude fees of ₹ 24.15 millions for IPO related services. Out of this, an amount of ₹ 9.50 millions being the Company's share of expenses has been accounted for under securities premium and the balance amount is to be born by the other selling shareholders.

26 Income tax

The Company is subject to income tax in India on the basis of Standalone Financial Statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expenses in the Standalone Statement Profit and Loss consist of the following:		
(a) Current tax	-	-
(b) Deferred tax charge/ (credit)*	-	-

Deferred tax assets relates to following:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Deferred tax assets	7.05	8.18
(b) Deferred tax liabilities	(7.05)	(8.18)
Deferred tax assets	**-**	**-**

* Deferred tax on business losses and unabsorbed depreciation is not recognised since it is not probable that the taxable profit will be available against which the unutilised tax losses and temporary differences can be utilised, as assessed at March 31, 2026 and March 31, 2025.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

26 Income tax (Contd..)

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	As at March 31, 2026	As at March 31, 2025
Profit/ (Loss) before taxes	28.90	35.06
Applicable tax rates in India	25.17%	25.17%
Computed tax (credit)/charge	7.27	8.82
Tax effect on business losses and unabsorbed depreciation on which deferred tax has not been accounted	(7.27)	(8.82)
Total tax expense	-	-

Expiration of losses carried forward

Particulars	As at March 31, 2026	As at March 31, 2025
March 31, 2025	-	156.86
March 31, 2026	-	76.98
March 31, 2031	549.52	635.08
March 31, 2032	372.08	372.08
	921.60	**1,241.00**

i) The Company has unabsorbed depreciation loss of ₹ 450.10 millions (March 31, 2025: ₹ 481.86 millions) which can be carried forward indefinitely.

27 Earnings/ (Loss) per share (EPS)

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

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

Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

27 Earnings/ (Loss) per share (EPS) (Contd..)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Face value of equity shares (₹ per share)	2.00	2.00
Profit/ (Loss) attributable to equity shareholders for basic/diluted EPS (₹ in millions) (a)	28.90	35.06
Weighted average number of equity shares used for computing EPS (basic) (in millions) (b)	75.48	73.25
Weighted average number of equity shares used for computing DPS (Diluted) (in millions) (c)	76.28	74.03
EPS- Basic (₹) (c=a/b)	**0.38**	**0.48**
EPS- Diluted (₹) (e=a/b)	**0.38**	**0.47**

28 Gratuity and other post-employment benefit plans

I) Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plans. The contributions are charged to the Standalone Statement of Profit and Loss as they accrue. Contributions to provident fund included in employee benefit expenses (refer note 22) are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Contribution to provident fund	13.50	11.81
Total	**13.50**	**11.81**

II) Defined benefit plan

Gratuity

The Company operates an unfunded defined benefit gratuity plan for all of its qualifying employees in India. Gratuity is calculated as 15 days' salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

The following tables summarise the components of net benefit expenses recognised in the Standalone Statement of Profit or Loss and amounts recognised in the Standalone Balance Sheet for gratuity benefit:

i. Net benefit expenses (recognised in the Standalone Statement of Profit and Loss)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	22.95	15.79
Past service cost	18.24	
Interest cost on defined benefit obligation	4.99	4.37
Net benefit expenses	**46.18**	**20.16**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

28 Gratuity and other post-employment benefit plans (Contd..)

ii. Remeasurement loss/(gain) recognised in other comprehensive income (OCI):

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial loss on obligations arising from changes in experience adjustments	1.19	4.24
Actuarial loss on obligations arising from changes in financial assumptions	-	-
Actuarial loss recognised in OCI	**1.19**	**4.24**

iii. Net defined liability

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined benefit obligation	(118.78)	(78.54)
Plan (liability)	**(118.78)**	**(78.54)**

iv. Changes in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of obligation as at the beginning of the year	**78.54**	**67.50**
Current service cost	22.95	15.79
Past service cost	18.24	-
Interest cost on defined benefit obligation	4.99	4.37
Benefits paid	(7.13)	(13.36)
Actuarial loss on obligations arising from changes in experience adjustments	1.19	4.24
Actuarial loss on obligations arising from changes in financial assumptions	-	-
Present value of obligation as at the end of the year	**118.78**	**78.54**

v. The following pay-outs are expected in future years:

Particulars	As at March 31, 2026	As at March 31, 2025
Within the next 12 months	13.38	11.52
Between 1 and 2 years	11.48	9.42
Between 2 and 3 years	9.62	7.71
Between 3 and 4 years	8.30	6.22
Between 4 and 5 years	6.85	5.23
Between 6 and 10 years	24.61	16.38
Beyond 10 years	118.81	80.65
Expected cash outflow in future years	**193.05**	**137.13**

The average duration of the defined benefit plan obligation at the end of the reporting year is 8.93 years (March 31, 2025: 7.38 years)

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

28 Gratuity and other post-employment benefit plans (Contd..)

& Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion.

The Company has recorded an amount of ₹ 18.24 millions in the financial statement of profit and loss for the year ended March 31, 2026 . The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

vi. The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (in %)	6.84%	6.66%
Salary escalation rate (in %)	10.00%	10.00%
Employee attrition	20.00%	25.00%
Retirement age	58	58
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes:

i) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

ii) Plan characteristics and associated risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

28 Gratuity and other post-employment benefit plans (Contd..)

vii. A quantitative sensitivity analysis for significant assumptions:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(8.04)	(4.89)
Impact on defined benefit obligation due to 1% decrease in discount rate	9.26	5.57
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	4.12	2.81
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(4.13)	(2.84)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.33)	(0.62)
Impact on defined benefit obligation due to 1% decrease in attrition rate	(0.01)	0.63

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Standalone Balance Sheet.

29 Share-based payments

Description of the share based payment arrangements

The Company has Capillary Employee Stock Option Scheme – 2021 ("CESP") plan. The share-based payment arrangements of the Company are as below:

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

The shareholders of the Company on October 29, 2021 had approved the 'Capillary Employees Stock Option Scheme' - 2021 (CESP). The plan provides for the issue of 72,91,000 options to eligible employees and eligible directors of the Capillary Group. Capillary Group shall mean the Company and its wholly owned subsidiaries, either existing or as may be incorporated from time to time and its Holding Company and any successor company thereof.

The plan is administered by a Board of Directors “Board”/ Nomination and Remuneration Committee (“NRC”) constituted by the Board (as the case may be) . 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 Board/ NRC . 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 as per the scheme.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

29 Share-based payments (Contd..)

Measurement of fair values

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

The following table lists the inputs to the option pricing models for the year ended March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend yield (%)	0%	0%
Expected volatility (%)	31.21%- 31.82%	61.90%
Risk-free interest rate (% p.a.)	6.28%-6.48%	6.60%
Expected life of option (years)	6.75- 9.00	5.5
Weighted average share price as per Pre discount on lack of marketability ("DLOM")	₹ 500.10	₹ 526.70
Weighted average share price as per Post discount on lack of marketability ("DLOM")	₹ 500.10	₹ 509.51

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

Movements during the year

The following table illustrates the number and Weighted Average Exercise Price (WAEP) of, and movements in, CESP plan during the year:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of options (in millions)	WAEP	No. of options (in millions)	WAEP
Options outstanding at the beginning of the year	0.77	2.00	1.68	2.17
Granted during the year	0.04	2.00	0.27	2.00
Forfeited/ lapsed during the year	(0.05)	(2.00)	(0.06)	(2.00)
Exercised during the year	(0.09)	(2.00)	-	-
Surrender/repurchased during the year	-		(1.12)	(2.55)
Options outstanding at the end of the year	**0.67**	**2.00**	**0.77**	**7.71**
Exercisable at year end	0.48		0.40	

The weighted average remaining contractual life of vested option As at March 31, 2026 is 6.57 years (March 31, 2025 - 7.71 years) and 8.05 years (March 31, 2025 - 7.01 years) for unvested options.

B Effective July 01, 2025, the Company has amended its existing CESP plan, whereby the options granted to employees shall vest only upon the achievement of market linked condition of share price and continued employment with the Group at any time during the vesting period with a maximum period of ten (10) years. The options are granted at an exercise price of 20% discount on the fair market value of share price at the grant date of options other than USA employees wherein those are granted at an exercise price of fair market value of share price. The option grantee may exercise the vested options as per the scheme.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

29 Share-based payments (Contd..)

Measurement of fair values

The Fair Value of the Options has been calculated using the 'Black-Scholes Option Pricing' methodology and combination of 'Binomial model' & 'Monte Carlo Simulation' methodology.

The following table lists the inputs to the models used for the year ended March 31, 2026:

Particulars	No. of options (in millions)
Dividend yield (%)	0%
Expected volatility (%)	31.24%- 31.41%
Risk-free interest rate (% p.a.)	6.46%-6.48%
Expected life of option (years)	8.70- 9.00 years
Weighted average share price	₹ 500.10

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

Movements during the year

The following table illustrates the number and Weighted Average Exercise Price (WAEP) of, and movements in, CESP plan during the year:

Particulars	No. of options (in millions)	
	No. of options (in millions)	WAEP
Options outstanding at the beginning of the year	-	-
Granted during the year	1.32	400.00
Forfeited/ lapsed during the year	(0.00)	(400.00)
Options outstanding at the end of the year	**1.32**	**400.00**
Exercisable at year end	-	

The weighted average remaining contractual life of unvested option As at March 31, 2026 is 9.43 years (March 31, 2025 - Nil).

C Expense recognised in Standalone Statement of Profit and Loss

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expense arising from share based payment transaction of CESP recognised in Employee benefit expenses (refer note 22)*#	67.80	41.91

* Excludes ₹ 40.20 millions (March 31 2025: ₹ 27.91 millions) on account of expense arising from share based payment transaction of CESP recognised in Investments.

Excludes ₹ 6.79 millions (March 31 2025: ₹ 9.03 millions) on account of expense arising from share based payment transaction of CESP recognised in internally generated intangible assets.

30 Leases

Company as a lessee

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

30 Leases (Contd..)

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

(a) The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 9.5% as on March 31, 2026 (March 31, 2025 - 9.5%)

Particulars	As at March 31, 2026	As at March 31, 2025
(b) Carrying value of right of use assets at the end of the reporting period (refer note 3)	27.99	32.51

(c) Analysis of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Opening lease liabilities	**33.17**	**29.12**
Additions during the year	28.47	30.17
Accretion of interest during the year	3.00	2.78
Cash outflow towards payment of lease liabilities during the year	(35.67)	(28.90)
Closing lease liabilities	**28.97**	**33.17**

The maturity analysis of lease liabilities are disclosed in note 34.

(d) Impact on Statement of Profit and Loss

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation on right of use assets	33.68	27.61
Interest expense on lease liabilities	3.00	2.78
	36.68	**30.39**

31 Contingent liabilities

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

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Particulars	As at March 31, 2026	As at March 31, 2025
Bank guarantees outstanding	3.91	3.91

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Related party disclosures

a) Names of the related parties and description of relationship

Nature of relationship	Name of the party
A) Related parties where control exists	
Holding Company	Capillary Technologies International Pte. Ltd., Singapore (until November 21, 2025)
Subsidiary Companies	Capillary Pte Ltd., Singapore
	Capillary Technologies DMCC, UAE
	Capillary Technologies (Shanghai) Co. Ltd, China
	Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia
	PT Capillary Technologies Indonesia, Indonesia
	Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited)
	Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc.)
	Capillary Technologies Inc,USA
	Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC'), USA
	Kognitiv Solutions Inc. (w.e.f May 01, 2025)
B) Related parties under common control	
Fellow subsidiaries	Reasoning Global eApplications Private Limited, India
C) Key Management Personnel	
Key managerial personnel (KMP)	Mr. Aneesh Reddy Boddu, Executive Director and Chief Executive Officer (upto December 31, 2022, re-appointed w.e.f. April 1, 2024) and Managing Director
	Mr. Anant Choubey, Whole-time Director, Chief Operating Officer and Chief Financial Officer
	Mr. Venkat Ramana Tadanki, Independent Director
	Mrs. Neelam Dhawan, Chairperson & Independent Director
	Mrs. Yamini Preethi Natti, Independent Director (upto May 7, 2025)
	Mr. Farid Lalji Kazani, Independent Director
	Mr. Peeyush Ranjan, Independent Director (w.e.f May 07, 2025)
	Mrs. Gireddy Bhargavi Reddy, Company Secretary and Compliance officer
D) Other related parties	
Private company in which a director, manager, or relative is a member or director	MS Biotech Private Limited

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

1) Transactions during the year

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Service income from group companies		
Capillary Pte Ltd., Singapore*	1,603.62	1,252.09
b) Interest on borrowings		
Capillary Technologies International Pte. Ltd., Singapore	-	-
c) Expenditure incurred on behalf of the Company by others		
Capillary Pte Ltd., Singapore	210.99	160.37
Capillary Technologies DMCC, UAE	43.30	16.79
Capillary Brierley Inc.	11.99	8.98
Capillary Technologies LLC, USA	168.22	211.22
Capillary Technologies Europe Limited	1.07	-
Capillary Technologies International Pte. Ltd., Singapore	2.51	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
d) Expenditure incurred by the Company on behalf of others		
Capillary Technologies International Pte. Ltd., Singapore	-	0.93
Capillary Technologies Inc,USA	13.79	7.52
PT Capillary Technologies Indonesia, Indonesia	0.09	0.03
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	0.06	0.01
Capillary Brierley Inc.	14.69	7.65
Capillary Technologies Europe Limited	120.74	139.49
Capillary Technologies LLC, USA	295.01	193.78
Capillary Pte Ltd., Singapore	4.25	4.87
Capillary Technologies DMCC, UAE	0.75	1.50
Reasoning Global eApplications Private Limited, India	0.01	-
e) Sitting fees to non-executive directors		
Mr. Venkat Ramana Tadanki	1.50	0.90
Mrs. Neelam Dhawan	1.50	1.10
Mrs. Yamini Preethi Natti	0.20	0.70
Mr. Farid Lalji Kazani	1.80	0.80
Mr. Peeyush Ranjan	0.70	-
f) Investment in unquoted equity shares		
Capillary Pte Ltd., Singapore	-	1,282.05
g) Capital contribution in subsidiaries		
Capillary Technologies DMCC, UAE	12.40	7.83
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	1.79	3.37
Capillary Brierley Inc., USA	10.53	7.78
Capillary Technologies Europe Limited	5.21	6.81
PT Capillary Technologies Indonesia	0.58	(0.61)
Capillary Pte Limited., Singapore	-	0.00
Capillary Technologies LLC, USA	9.69	2.72
i) Other non-operating income		
Capillary Technologies International Pte. Ltd., Singapore	19.93	13.67
j) Remuneration to key managerial personnel (including share based payment)**		
Mr. Anant Choubey	39.64	12.96
Mr. Aneesh Reddy Boddu	17.21	16.31
Mrs. G Bhargavi Reddy	7.19	5.58

* Services income from Capillary Pte. Ltd, Singapore includes income form other group companies also as the invoicing and settlement mechanism shall be centrally routed via Capillary Pte. Ltd, Singapore.

** The remuneration to KMPs disclosed above includes share based payment for the year amounts to ₹ 26.25 millions (March 31, 2025: ₹ 0.26 millions).

2) Outstanding balances as at year end

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Trade receivables		
Capillary Pte Ltd., Singapore (including unbilled revenue of ₹ 321.69 millions and March 31, 2025: ₹ 245.55 millions)	619.32	285.37
b) Other receivables from related parties		
Capillary Technologies International Pte. Ltd., Singapore	30.57	9.64
Reasoning Global eApplications Private Limited, India	0.01	0.16
Capillary Technologies Europe Limited	6.57	14.80
PT Capillary Technologies Indonesia, Indonesia	0.00	0.03
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	0.08	0.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Capillary Technologies Inc, USA	1.13	7.60
c) Trade payables		
Capillary Pte Ltd., Singapore	456.02	211.82
Capillary Technologies DMCC, UAE	29.97	1.31
Capillary Brierley Inc	10.98	3.39
Capillary Technologies LLC	35.26	68.49
Capillary Technologies International Pte. Ltd., Singapore	41.86	
d) Corporate guarantees taken from the Holding Company		
Capillary Technologies International Pte. Ltd., Singapore	-	-

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

Share options held by key managerial personnel under the share based payments plan to purchase equity shares are as follows:

Share based payments plan	Exercise price	Amount Outstanding (in millions) For the year ended March 31, 2026	For the year ended March 31, 2025
Capillary Employees Stock Option Scheme' - 2021 ('CESP')	₹ 2	0.10	0.22
Capillary Employees Stock Option Scheme' - 2021 ('CESP')	₹ 400	26.15	-

No share options have been granted to the non-executive members of the Board of Directors under the share based payments plans of the Holding Company and the Company. Refer to note 29 for further details on the scheme.

Notes:-

1. The transactions with related parties are made by the Company on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

2. As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to remuneration to the key managerial personnel are not ascertainable and, therefore, not disclosed above.

3. In respect of the transactions with the related parties, the Company has complied with the provisions of Section 188 and Section 177 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

4. Refer note 14 for borrowings with regard to securities given by the Holding Company for the loan facility availed by the Company.

5. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

Basis of identifying operating segments/reportable segments

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Management Team who are Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

33 Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments' (Contd..)

which discrete financial information is available. The accounting policies consistently used in the preparation of the standalone financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'."

Two or more operating segments may be aggregated into a single operating segment if aggregation is consistent with the core principle of Ind AS 108 - 'Operating Segments' i.e. the segments have similar economic characteristics and the segments are similar in the nature of services, type or class of customer for their services etc. CODM evaluates the performance of the Company based on the single operative segment as cloud based intelligent customer engagement software solutions to retail chain operators ('CRM Services'). Therefore, there is only one reportable segment called CRM services in accordance with the requirement of Ind AS 108 "Operating Segments".

The Company has presented segmental information in the consolidated financial statements which are presented in the same annual report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

34 Financial instruments

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

The details of material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.3.(l).

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material. There are no financial instruments which are measured at fair value through other comprehensive income As at March 31, 2026 and March 31, 2025.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2026 and March 31, 2025:

As at March 31, 2026	Amortised Cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
(i) Trade receivables*	768.31	-	-	768.31
(ii) Cash and cash equivalents*	104.14	-	-	104.14
(iii) Bank balances other than (ii) above	3,232.40	-	-	3,232.40
(iv) Other financial assets*	303.79	-	-	303.79
Total	**4,408.64**	**-**	**-**	**4,408.64**
Financial liabilities				
(i) Borrowings*	447.21	-	-	447.21
(ii) Trade payables*	656.16	-	-	656.16
(iii) Lease liabilities*	28.97	-	-	28.97
(iv) Other financial liabilities*	105.81	-	-	105.81
Total	**1,238.15**	**-**	**-**	**1,238.15**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

34 Financial instruments (Contd..)

As at March 31, 2025	Amortised Cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
(i) Trade receivables*	444.53	-	-	444.53
(ii) Cash and cash equivalents*	107.85	-	-	107.85
(iii) Other financial assets*	272.62	-	-	272.62
Total	**825.00**	**-**	**-**	**825.00**
Financial liabilities				
(i) Borrowings*	517.38	-	-	517.38
(ii) Trade payables*	412.21	-	-	412.21
(iii) Lease liabilities*	33.17	-	-	33.17
(iv) Other financial liabilities*	51.36	-	-	51.36
Total	**1,014.12**	**-**	**-**	**1,014.12**

* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value and hence the Company has not disclosed the fair values.

(b) Fair Value Hierarchy

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

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

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

The following table provides the fair value measurement hierarchy of the Company's assets:

As at March 31, 2026	Level 1	Level 2	Level 3
Current investments	-	-	-

As at March 31, 2025	Level 1	Level 2	Level 3
Current investments	-	-	-

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

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

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2026 and March 31, 2025.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

34 Financial instruments (Contd..)

(c) Financial risk management objectives and policies

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

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company’s business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy."

(1) Market risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates. Thus profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in the credit rating of the Company will have an adverse impact on the interest rates.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed rate instruments:		
Financial liabilities	-	-
Variable rate instruments:		
Financial liabilities	447.21	517.38

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company’s profit before tax/equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	As at March 31, 2026	As at March 31, 2025
Interest rate fluctuation	+50	(2.24)	(2.59)
Interest rate fluctuation	-50	2.24	2.59

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

34 Financial instruments (Contd..)

(2) Market risk- Foreign currency risk

The Company operates both in domestic and international market and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries. The Company holds forward contracts such as foreign exchange contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in USD (in millions)	Amount in ₹ (in millions)	Amount in USD (in millions)	Amount in ₹ (in millions)
Financial assets				
Trade receivables (including Unbilled revenue)	6.56	619.32	3.19	285.37
Other receivables from related parties	0.41	38.34	0.38	32.24
Financial liabilities				
Trade payables	5.64	532.24	3.34	285.01

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Share based payments plan	Change in currency	Effect on profit or loss before tax/equity	
		Strengthening	Weakening
As at March 31, 2026			
USD	5%	6.27	(6.27)
As at March 31, 2025			
USD	5%	1.63	(1.63)

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2026 and March 31, 2025. The year end balances are not necessarily representative of the average debt outstanding during the year. Profit and equity are not disclosed separately as the Company has no impact on taxes.

(ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 768.31 millions and ₹ 444.53 millions As at March 31, 2026 and March 31, 2025 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses at each reporting date, right from initial recognition. The company uses forward looking information to determine Expected Credit Loss (ECL) model and uses provision matrix to determine impairment loss allowance on the portfolio

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

34 Financial instruments (Contd..)

of trade receivables. The provision matrix takes into account, available external and internal credit risk factors and the Company's historical experience with customers. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses. Credit risk on cash and cash equivalents including other bank balances, investment in mutual funds and debt securities is limited as the Company generally invest in deposits with banks, financial institutions and counterparties with high credit ratings assigned by international and domestic credit rating agencies.

For ageing analysis of the trade receivables, refer Note 8.2.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund based working capital limits from a bank. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

Particulars	Contractual Cash Flows		Carrying Amount	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Less than 1 year				
Borrowings (refer note 1)	447.21	517.38	447.21	517.38
Lease liabilities	24.30	22.89	22.91	21.15
Trade payables	656.16	412.21	656.16	412.21
Other financial liabilities	105.81	51.36	105.81	51.36
	1,233.48	**1,003.84**	**1,232.09**	**1,002.10**
Between 1 to 5 years				
Borrowings (refer note 1)	-	-	-	-
Lease liabilities	6.30	13.09	6.06	12.02
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	6.30	**13.09**	**6.06**	**12.02**
More than 5 years	**-**	**-**	**-**	**-**
Total	**1,239.78**	**1,016.93**	**1,238.15**	**1,014.12**

Note 1: the above disclosure excludes interest to be paid on the borrowings, by the Company

35 Capital management

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Capital management (Contd..)

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors debt equity ratio, which is Net debt i.e. total debts less funds divided by total equity. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

Particulars	As at March 31, 2026	As at March 31, 2025
Share Capital	158.81	146.65
Other Equity	8,073.23	4,630.54
Equity (A)	**8,232.04**	**4,777.19**
Cash and cash equivalents	104.14	107.85
Total Fund (B)	**104.14**	**107.85**
Lease Liabilities (F)	28.97	33.17
Borrowings	447.21	517.38
Total debts (C)	**476.18**	**550.55**
Net debt (D=(C-B))	**372.04**	**442.70**
Total Capital (equity + net debt)	**8,604.08**	**5,219.89**
Net debt to equity ratio (E=D/A)	**0.05**	**0.09**
Net debt (excluding lease liabilities) [G=(D-F)]	**343.07**	**409.53**
Net debt to equity ratio (excluding lease liabilities) (H=G/A)	**0.04**	**0.09**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2026 and March 31, 2025 respectively.

36 Ratio analysis

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance	Reason
Current ratio	Current assets	Current liabilities	3.32	0.64	420.60%	NA
Debt-equity ratio	Total borrowings	Total equity	0.05	0.11	(49.84%)	NA
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs	Debt service = Finance costs and Lease Payments + Principal Repayments of borrowings	5.10	(25.55)	(119.97%)	refer note (b) below
Return on equity ratio	Net profit after taxes	Average total equity	0.44%	0.74%	(40.24%)	refer note (b) below
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	3.49	3.97	(11.91%)	refer note (c) below
Trade payables turnover ratio	Cost of campaign services + Professional and consultancy services and other expenses	Average trade payables	0.93	1.31	(28.73%)	refer note (d) below

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

36 Ratio analysis (Contd..)

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance	Reason
Net capital turnover ratio	Revenue from operations	Average working capital = (Opening working capital+Closing working capital)/2	1.61	(4.51)	(135.66%)	refer note (a) below
Net profit ratio	Net profit after tax	Revenue from operations	1.36%	2.01%	(32.27%)	refer note (b) below
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Borrowings + Total Lease Liabilities	0.79%	2.13%	(62.81%)	refer note (b) below
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	4.50%	12.06%	(62.67%)	refer note (e) below

Notes:

(a) Due to the repayment of borrowings and the sale of short-term investments during the year.

(b) Due to decrease in losses during the year/period

(c) Due to decrease in debtor days

(d) Due to decrease in creditors days

(e) Due to movement in investment

(f) Inventory turnover ratio is not applicable to the Company

37 The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the Income Tax Act 1961 ('regulations') to determine whether the transactions entered during the year ended March 31, 2026 with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the Standalone Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

38 Other statutory information:

(i) The Company has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, or security or the like on behalf of the Ultimate Beneficiaries except below:

Name of the Intermediaries to which funds are advanced	Date of funds advanced	Amount of funds advanced	Date on which funds are invested by Intermediaries to the Ultimate Beneficiaries	Amount of funds further advanced to Ultimate Beneficiaries	Ultimate Beneficiaries
For the year ended March 31, 2026					
Capillary Pte. Ltd., Singapore	March 28, 2025	1,282.05	April 28, 2025	1,300.45	refer note below
For the year ended March 31, 2025					
Nil					

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money Laundering Act, 2022 (15 of 2003).

Complete details of the Intermediaries and Ultimate Beneficiaries are given below.

Note : Capillary Pte. Ltd., has invested in the shares of Capillary Technologies LLC, USA in the month of April 2025, which has further invested in the acquisition of Kognitiv Solutions, Inc.

(ii) The Company has not received funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

38 Other statutory information: (Contd..)

(iv) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(v) The Company does not have any transactions with companies struck off during the year.

(vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period other than those disclosed in note 15.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025.

39 Events after reporting period

There are no material non-adjusting events after the reporting period till the date of issue of these financial statements (i.e. May 06, 2026) which require disclosure in standalone financial statements.

40 Prior year amounts have been regrouped / reclassified wherever necessary, to confirm to the presentation in the current year, which are not material.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner

Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy Boddu
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Independent Auditor's Report

To
The Members of
Capillary Technologies India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Capillary Technologies India Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in **Annexure 1**, which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2026, their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matters
Capitalisation of Internally generated intangible assets	
Refer note 4 to the accompanying consolidated financial statements. In accordance with Ind AS 38 – Intangible Assets ('Ind AS 38'), the Group has capitalized internally generated intangible assets comprising software and application platform development cost amounting to ₹ 366.15 million during the year ended March 31, 2026.	Our key audit procedures in relation to the capitalisation of internally generated intangible assets included, but were not limited to, the following: • Obtained an understanding of the management's process and procedures related to the initial recognition criteria for internally generated intangible assets as per Ind AS 38 'Intangible Assets', allocation and measurement of time recorded on development and establish the basis for such capitalization.

Key Audit Matters	How our audit addressed the Key Audit Matters
The development costs are capitalised only when the capitalisation criteria prescribed under Ind AS 38 is met. The assessment involves significant management judgment on matters such as technical feasibility, intention and ability to complete the development of such intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably including costs incurred for new enhancements and upgrades to existing platforms. We have identified capitalisation of such assets as a Key Audit Matter for the current year's audit considering the materiality of amounts involved, significant risk identified, significant judgements being involved for initial recognition and measurement of these assets.	• Evaluated the design, implementation, and tested operating effectiveness of key controls over recognition and, classification of development expenditure, and monitoring of capitalised intangible assets, including controls over impairment assessment. • Performed inquires with management regarding key judgements, assumptions and estimates made in capitalizing development costs around technical feasibility, project documentation etc and assessed the reasonableness of such judgements, assumptions and estimates. • On a sample basis, tested the amount capitalized during the year from the underlying records and evaluated the key assumptions used by the management to capitalise such costs. • Evaluated the appropriateness of the useful economic lives attributed to such internally generated intangible assets; and • Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements, including disclosure of significant assumptions and judgements used by the Group, with respect to internally generated intangible assets in accordance with the requirements of applicable Indian Accounting Standards.
Revenue Recognition	
Refer note 22 to the accompanying consolidated financial statements. The Group recognised revenues of ₹ 7,345.99 million for the year ended March 31, 2026 from the sale of services. Revenue of the Group comprises income from retainership, installation and campaign services across geographies which is recognised in accordance with the principles of Ind AS 115 - "Revenue from contracts with customers ('Ind AS 115')". Revenue is recognised basis the terms of each contract with customers wherein certain commercial arrangements involve complexity and significant judgements relating to, determination of transaction price of identified performance obligations (including payments received from customers, variable consideration, and certain discounts given to customers and consideration payable to customer) and the appropriateness of basis used to measure revenue recognised in each case. Significant revenue is recognised over the period of time as per Ind AS 115 which involves determination of progress of the performance obligations involved in each contract, efforts incurred till date and additional efforts required to complete performance obligation. This includes determination of unbilled revenue, contracts assets as at the end of reporting period for each contract.	Our key audit procedures in relation to revenue recognition included, but were not limited to, the following: • Obtaining an understanding of the management's process and procedures for the identification and recording of revenue transactions across the various revenue streams of the Group. • Assessed the appropriateness of revenue recognition accounting policy adopted by the Company in accordance with Ind AS 115. • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition. • On a sample basis, reviewed executed contracts with the customers to identify the terms of contracts to determine the transaction price including adjustments for any sums payable to customers and the appropriateness of revenue recognition. • Understood and evaluated the Group's process for recognition of contractual customer asset and its subsequent amortization. • Evaluated management's judgment in selecting and applying the input method for measuring progress toward satisfaction of performance obligations. This involved assessing whether management's chosen input method appropriately reflects the transfer of control to the customer, and whether the assumptions, estimates and rationale supporting this method are reasonable and adequately disclosed.

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence, requiring significant auditor attention. Revenue is also a key performance indicator of the Group and is identified as a significant audit risk as there is potential for recognition before control is transferred or performance obligations are satisfied. Considering the significance of amount, complexity and significant judgements relating to identification of distinct performance obligations, determination of transaction price and appropriateness of basis used to measure revenue recognised, this matter has been considered as a Key Audit Matter in the current year's audit.	• On a sample basis tested the revenue recognized during the year against underlying documentation, including invoices, customer acceptances, and/or proof of the performance of services. • Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items. • Verified the mathematical accuracy of revenue recognised including associated contract assets and unearned revenue balances; and • Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements, including disclosure of significant assumptions and judgements used by the Group, in accordance with the requirement of Indian accounting standards.
Impairment assessment of goodwill	
Refer note 4 to the accompanying consolidated financial statements. As of March 31, 2026, the Group's assets include goodwill aggregating to ₹ 3,095.76 million relating to business acquisitions made across multiple geographic locations and has been allocated to the Cash Generating Units (CGUs). The management has performed an annual impairment assessment of goodwill in accordance with Ind AS 36 – Impairment of Assets ('Ind AS 36') by determining the recoverable amount of the CGUs to which the goodwill is allocated, using the discounted cash flow method ('DCF') method by engaging external valuation experts. The determination of the recoverable value of CGUs requires the Group's management to make significant judgments and certain key estimates including the forecast of future cash flows, long-term growth rates, profitability and Weighted average cost of capital ('WACC'). Changes in these assumptions could lead to a change in the recoverable value of goodwill. Considering the significance of the carrying value of goodwill in the consolidated financial statements and inherent subjectivity involved in auditing management's judgements and estimates, impairment assessment of goodwill has been considered a Key Audit Matter for the current year's audit.	Our key audit procedures in relation to impairment assessment of goodwill included, but were not limited to, the following: • Obtained an understanding of management's process for identification of CGUs and impairment testing of goodwill. • Evaluated the design, implementation and tested the operative effectiveness of the key internal financial controls over the Group's process of impairment assessment of goodwill. • Assessed the competence and objectivity of the management's valuation expert and obtained their valuation report for the determination of the recoverable amounts of CGUs. • Assessed the reliability of cash flow forecasts through a review of actual past performance and approved management projections. • Involved the auditors' valuation expert to assist in the evaluation of the Group's valuation models and assess overall reasonableness of the assumptions used particularly those pertaining to WACC and terminal growth rate. • Performed a sensitivity analysis on the key assumptions to evaluate estimation uncertainty from changes in the assumptions applied; and • Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by the Group's management, in accordance with applicable Indian Accounting Standards.
Accounting for Business Combination	
Refer note 39 to the accompanying consolidated financial statements. During the current year, the Group acquired a 100% equity interest in Kognitiv Solutions Inc., for a purchase consideration of CAD$ 23.44 million (₹ 1,447.43 million).	Our key audit procedures in relation to accounting for business combinations included, but were not limited to, the following: • Obtaining an understanding of the management's process and procedures for accounting for business combination.

Key Audit Matters	How our audit addressed the Key Audit Matters
The Group has accounted for the aforementioned business acquisition in accordance with Ind AS 103 - Business Combinations ('Ind AS 103') under the acquisition method which requires the Group to account for the recognition of identifiable assets and liabilities including identifiable intangible assets, at acquisition date fair values, with the excess of the acquisition price over the net assets acquired, recognised as goodwill. The Group has engaged an external valuation expert to carry out a Purchase Price Allocation ('PPA') to determine the fair value of assets acquired (tangible and intangible) liabilities assumed and the resultant goodwill amounting to US$ 10.75 million (₹ 909.53 million). The allocation of the purchase consideration to identifiable assets and liabilities, including intangible assets acquired, was carried out through valuation techniques, including discounted cash flow method ('DCF') and multi-purpose excess earning method ('MPEEP'). These valuation models required the use of significant management judgements and estimates, including assumptions involved in forecast of future cash flows, long-term growth rate and discount rate which are subject to high estimation uncertainty. Considering the materiality of the amount involved and the high degree of subjectivity which warranted significant auditor attention in auditing the management judgements and estimates as stated above, the accounting of the said business combination has been considered as a Key Audit Matter for the current year's audit.	• Assessed the appropriateness of the accounting policy adopted by the management in terms of the requirements of Ind AS 103. • Evaluating the design, implementation and tested the operating effectiveness of the Group's controls over the accounting of business combination which includes valuation of identified assets acquired and liabilities assumed under the business combination. • Reviewed the contractual terms and arrangements and obtained understanding of management's judgement in determining the acquisition date, the net assets acquired, in accordance with Ind AS 103. • Assessed the competence and objectivity of the management's valuation expert and obtained their valuation report on the PPA. • Involved the auditors' valuation expert to assist in the evaluation of the appropriateness of the valuation methodology, the key assumptions used for the fair valuation of the assets and liabilities acquired, including the identification and measurement of the identifiable intangible assets and the resultant goodwill on the said business combination. • Assessed the reasonableness of the cash flow forecasts as approved by the management and considered in the aforesaid valuation; and • Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by the Group's management in accordance with the requirements of applicable Indian Accounting Standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under

Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹182.13 million as at March 31, 2026, total revenues of ₹234.41 million and net cash inflows amounting to ₹60.78 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries, located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the financial information of one subsidiary, whose financial information reflects total assets of ₹0.55 million as at March 31, 2026, total revenues of ₹ nil and net cash inflows/ outflows amounting to ₹ nil for the year ended on that date, as considered in the consolidated financial statements. This financial information has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act, based on our audit , we report that the Holding Company incorporated in India whose financial statements have been audited under the Act has paid remuneration to their respective directors during

the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order report issued by us, of the Holding Company, included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the Order report of the Holding company.

19. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books, except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, covered under the Act, none of the directors of the Holding Company are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under Section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in '**Annexure II**' wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 34 to the consolidated financial statements;

        ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, covered under the Act, during the year ended March 31, 2026;

        iv. a. The management of the Holding Company whose financial statements have been audited under the Act have represented to us to the best of their knowledge and belief, other than as disclosed in note 43(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management of the Holding Company incorporated in India whose financial statements have been audited under the Act have represented to us to the best of their knowledge and belief, other than as disclosed in the note 43(ii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company has not declared or paid any dividend during the year ended March 31, 2026.

vi. Based on our examination which included test checks, except for instances mentioned below, the Holding Company, in respect of financial year commencing on or after 1 April 2025, has used an accounting software for maintaining its books of accounts (accounting records and payroll records) which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, except for matter mentioned below, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

The accounting software used for the maintenance of accounting records by the Holding Company, is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 26210122GEIHSN6623

Bengaluru
May 06, 2026

Annexure I referred to in Paragraph 1 of the Independent Auditor's Report of even date to the members of Capillary Technologies India Limited on the consolidated financial statements for the year ended March 31, 2026

List of entities consolidated in the Consolidated Financial Statements of Capillary Technologies India Limited for the year ended March 31, 2026

Name of the entity	Country of incorporation	Relationship
Capillary Pte. Ltd	Singapore	Subsidiary
Capillary Technologies DMCC	Dubai, United Arab Emirates	Step-down subsidiary
Capillary Technologies LLC	United States of America	Step-down subsidiary
Capillary Technologies Inc.	United States of America	Step-down subsidiary
Capillary Technologies Europe Limited	United Kingdom	Step-down subsidiary
Capillary Brierley Inc.	United States of America	Step-down subsidiary
Capillary Technologies (Shanghai) Co. Ltd	People's Republic of China	Step-down subsidiary
PT Capillary Technologies Indonesia	Indonesia	Step-down subsidiary
Capillary Technologies (Malaysia) Sdn.Bhd.	Malaysia	Step-down subsidiary
Kognitiv Solutions Inc. (w.e.f May 01, 2025)	Canada	Step-down subsidiary

Annexure II to the Independent Auditor's Report of even date to the members of Capillary Technologies India Limited on the consolidated financial statements for the year ended March 31, 2026

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Capillary Technologies India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Board of Directors of the Holding Company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is a company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2026, based on the internal financial control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 26210122GEIHSN6623

Bengaluru
May 06, 2026

Consolidated Balance Sheet

as at March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	37.78	34.27
(b) Goodwill	4	3,095.76	1,884.98
(c) Other intangible assets	4	1,385.57	1,030.39
(d) Right-of-use assets	3	82.63	59.84
(e) Financial assets			
(i) Investments	5A	118.27	-
(ii) Other financial assets	5	272.50	256.09
(f) Deferred tax assets (net)	19A	16.27	5.62
(g) Other tax assets	6	134.40	79.88
(h) Other non-current assets	11	649.38	853.25
Total non-current assets		**5,792.56**	**4,204.32**
Current assets			
(a) Financial assets			
(i) Investments	7	1,246.23	-
(ii) Trade receivables	8	1,808.35	1,611.21
(iii) Cash and cash equivalents	9	358.11	2,140.71
(iv) Other bank balances	10	3,232.40	-
(v) Other financial assets	5	93.16	33.93
(b) Other current assets	11	471.61	396.37
Total current assets		**7,209.86**	**4,182.22**
Total assets		**13,002.42**	**8,386.54**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	158.81	146.65
(b) Other equity	13	10,076.12	5,535.82
Total equity		**10,234.93**	**5,682.47**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	14	-	12.82
(ii) Lease liabilities	15	40.34	32.54
(iii) Other financial liabilities	16	-	-
(b) Provisions	17	125.57	80.71
(c) Deferred tax liabilities (net)	19B	27.37	71.04
Total Non-current Liabilities		**193.28**	**197.11**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	14	447.21	988.12
(ii) Lease liabilities	15	48.52	30.78
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	9.43	13.23
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	734.41	492.52
(iv) Other financial liabilities	16	220.55	145.39
(b) Other current liabilities	20	1,038.95	810.98
(c) Provisions	17	31.06	18.21
(d) Current tax liabilities (net)	21	44.08	7.73
Total current liabilities		**2,574.21**	**2,506.96**
Total liabilities		**2,767.49**	**2,704.07**
Total equity and liabilities		**13,002.42**	**8,386.54**
Summary of material accounting policies	2.3		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration
number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy Boddu
Managing Director
& CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director,
COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and
Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

		Notes	For the Year ended March 31, 2026	For the year ended March 31, 2025
I	**Income**			
	Revenue from operations	22		
	- Retainership and other services		6,562.00	4,811.05
	- Installation revenue		720.33	1,100.31
	- Revenue from campaign services on an agent basis		63.66	71.23
II	Other income	23	137.34	136.10
III	**Total income (I+II)**		**7,483.33**	**6,118.69**
IV	**Expenses**			
	Professional and consultancy expenses		1,076.59	994.93
	Software and server charges		1,292.19	921.85
	Employee benefit expense	24	3,538.58	2,955.20
	Other expenses	27	510.12	460.98
	Total expenses (IV)		**6,417.48**	**5,332.96**
V	**Earnings before interest expense, taxes, depreciation and amortisation (EBITDA)**		**1,065.85**	**785.73**
VI	Finance costs	25	54.64	77.88
VII	Depreciation and amortisation expenses	26	749.71	601.03
			804.35	**678.91**
VIII	**Profit before exceptional items and tax from continuing operations (V-VI-VII)**		**261.50**	**106.82**
IX	(a) Exceptional items - (income)/expense	28	(249.60)	-
X	**Profit before tax (VIII-IX)**		**511.10**	**106.82**
XI	**Tax expenses/ (credit)**			
	(a) Current tax	29	45.04	(12.90)
	(b) Deferred tax credit	29	(57.82)	(21.82)
	Total tax expenses/(credit)		**(12.78)**	**(34.72)**
XII	**Profit for the year from continuing operations (X-XI)**		**523.88**	**141.54**
XIII	**Profit/ (loss) before tax from discontinued operations**	42	-	(8.54)
XIV	**Tax expense of discontinued operations**	42	-	0.20
XV	**Loss from discontinued operations after tax**		-	(8.74)
XVI	**Profit for the year**		**523.88**	**132.80**
XVII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(i) Exchange differences on translating financial statements of foreign operations		566.97	72.74
	Items that will not be reclassified to profit or loss:			
	(i) Re-measurement losses on defined benefit plan, net of tax		(1.19)	(4.24)
	Other comprehensive income for the year, net of tax		**565.78**	**68.50**
XVIII	**Total comprehensive income/ (loss) for the year (XVI+XVII)**		**1,089.66**	**201.30**
	Earnings/ (loss) per equity share (EPS)	30		
	EPS from continuing operations (face value - ₹ 2 each)			
	Basic (in ₹ per share)		6.94	1.93
	Diluted (in ₹ per share)		6.87	1.91
	EPS from discontinued operations (face value - ₹ 2 each)			
	Basic (in ₹ per share)		-	(0.12)
	Diluted (in ₹ per share)		-	(0.12)
	EPS from continuing and discontinued operations (face value - ₹ 2 each)			
	Basic (in ₹ per share)		6.94	1.81
	Diluted (in ₹ per share)		6.87	1.79
Summary of material accounting policies		2.3		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy Boddu
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in millions)	Amount (in millions)	Number of shares (in millions)	Amount (in millions)
Equity shares outstanding at the beginning of the year	**73.32**	**146.65**	**73.23**	**146.46**
Issuance of share capital (refer note 12(a)1,2)	5.98	11.97	0.09	0.19
Exercise of share based options (refer note 12(a)3)	0.10	0.19	-	-
Equity shares outstanding at the end of the year	**79.40**	**158.81**	**73.32**	**146.65**

B. Other equity

Particulars	Attributable to the equity shareholders - Other equity						
	Reserves and surplus					Other Comprehensive income	Total
	Retained earnings/ (Accumulated deficit)	Capital contribution from Ultimate Holding Company*	Securities premium	Share based payment reserve	Capital reserve	Foreign currency translation reserve	Total other equity
As at March 31, 2024	**(5,164.54)**	**2,736.81**	**5,880.75**	**672.61**	**868.23**	**249.20**	**5,243.06**
Profit for the year	132.80	-	-	-	-	-	132.80
Other comprehensive (loss)/ income for the year (net of taxes)**	(4.24)	-	-	-	-	72.74	68.50
Total comprehensive income for the year	**128.56**	**-**	**-**	**-**	**-**	**72.74**	**201.30**
Contributions and distributions							
Issuance of share capital (refer note 12(a)2)	-	-	49.73	-	-	-	49.73
Share based payment expenses (refer notes 24 and 32)	-	-	-	89.98	-	-	89.98
Surrender of employee stock options and re-purchase, net (refer note 24 and 32)	343.18	-	-	(391.43)	-	-	(48.25)
Total contributions and distributions	**343.18**	**-**	**49.73**	**(301.45)**	**-**	**-**	**91.46**
Balance as at March 31, 2025	**(4,692.80)**	**2,736.81**	**5,930.48**	**371.16**	**868.23**	**321.94**	**5,535.82**
Profit for the year	523.88	-	-	-	-	-	523.88
Other comprehensive income/ (loss) for the year (net of taxes)**	(1.19)	-	-	-	-	566.97	565.78
Total comprehensive income for the year	**522.69**	**-**	**-**	**-**	**-**	**566.97**	**1,089.66**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

B. Other equity

Particulars	Attributable to the equity shareholders - Other equity						
	Reserves and surplus					Other Comprehensive income	Total
	Retained earnings/ (Accumulated deficit)	Capital contribution from Ultimate Holding Company*	Securities premium	Share based payment reserve	Capital reserve	Foreign currency translation reserve	Total other equity
Contributions and distributions							
Issuance of share capital (refer note 12(a)1)	-	-	3,438.74	-	-	-	3,438.74
Share based payment expenses (refer notes 24 and 32)	-	-	-	114.26	-	-	114.26
Exercise of share based options (refer note 12(a)3)	-	-	32.74	(32.74)	-	-	-
Offer issue expenses	-	-	(137.85)	-	-	-	(137.85)
Warrant issued on behalf of the Group	-	35.49	-	-	-	-	35.49
Total contributions and distributions	**-**	**35.49**	**3,333.63**	**81.52**	**-**	**-**	**3,450.64**
Balance as at March 31, 2026	**(4,170.11)**	**2,772.30**	**9,264.11**	**452.68**	**868.23**	**888.91**	**10,076.12**

*Post listing of the Company (w.e.f. November 21, 2025) , Capillary Technologies International Pte Ltd ceases to hold more than 50% of the Company's equity.

**As required under Division II - Ind AS Schedule III, the Group has recognised remeasurement gains/ (losses) of defined benefit plans as part of retained earnings.

Summary of material accounting policies 2.3

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy Boddu
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit for the year from continuing operations before tax	**511.10**	**106.82**
Profit/ (loss) for the year from discontinued operations before tax	**-**	**(8.54)**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	749.71	621.98
Loss allowances under expected credit loss model(refer note 27)	25.88	78.42
Share based payments (refer note 24)	107.29	80.94
Profit on sale of investments (refer note 23)	(16.30)	(76.53)
Interest income on income tax refund	-	(2.05)
Profit on sale of property, plant and equipment(refer note 23)	(0.03)	(0.62)
Property, plant and equipment written off (refer note 27)	1.36	0.81
Interest income on corporate deposit	-	(25.18)
Provision / liabilities no longer required, written back	(9.08)	(0.18)
Unrealised exchange (gain)/ loss on foreign currency transactions (net)	48.92	9.76
Interest income on bank deposits and security deposit	(87.62)	(13.92)
Churn indemnity compensation received (refer note 28)	(249.60)	-
Finance costs	43.52	68.53
Operating profit before working capital changes	**1,125.15**	**840.24**
Working capital adjustments :		
Increase in trade receivables	(252.04)	(242.89)
Increase in other financial assets	(46.27)	(12.40)
Decrease/(increase) in other assets	128.63	(166.51)
Increase/(decrease) in trade payable	247.17	(222.33)
Increase in provision	56.52	9.24
Increase/(decrease) other financial liabilities	75.16	(77.97)
Increase/(decrease) in other liabilities	227.97	(551.04)
Cash generated/(used in) from operations	**1,562.29**	**(423.66)**
Direct taxes paid, net	(63.22)	(38.33)
Net cash generated/(used in) by operating activities (A)	**1,499.07**	**(461.99)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets	(393.74)	(474.58)
Proceeds from sale of property, plant and equipment	0.57	0.62
(Purchase)/sale of current investment, net	(1,229.93)	775.78
Corporate deposits placed	-	(400.00)
Proceeds from redemption of corporate deposits	-	799.99
Interest income on bank deposits	66.00	13.92
Interest income on corporate deposits	-	25.18
Investment in bank deposits (net)	(8.95)	(105.13)
Investment in demand deposits	(3,232.40)	-
Payment for investment in equity shares	(118.27)	-
Churn indemnity compensation received (refer note 28)	249.60	-
Payment towards acquisition of subsidiary	(1,472.33)	-
Net cash (used in)/generated from investing activities (B)	**(6,139.45)**	**635.78**
C. Cash flow from financing activities		
Proceeds from issue of share capital, (including security premium)	3,450.90	49.92
Offer issue expenses	(137.85)	-
Repayment of Non Convertible Debentures (NCDs)	-	(352.48)
Repayment of long-term borrowings	(13.54)	-
Repayment from short-term borrowings (net)	(497.28)	485.34
Repayment of principal and interest portion of lease liabilities (refer note 33)	(61.70)	(33.04)
Finance costs paid	(35.52)	(64.62)
Surrender of employee stock options and re-purchase, net	-	(48.25)
Net cash generated from financing activities (C)	**2,705.01**	**36.87**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(1,935.37)**	**210.66**

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash and cash equivalents at the beginning of the year	2,044.99	1,806.68
Effect of exchange differences on cash and cash equivalents held in foreign currency	242.82	27.65
Cash and cash equivalents at the end of the year	**352.44**	**2,044.99**
Components of cash and cash equivalents		
- Balance with banks (refer note 9)	358.11	2,140.71
Less: Bank overdraft	(5.67)	(95.72)
Total cash and cash equivalents (net of bank overdraft)	**352.44**	**2,044.99**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	As at April 1, 2025	Cashflows	Non-cash movement	As at March 31, 2026
Non-current borrowings (including current maturities)	13.54	(13.54)	-	-
Current borrowings (excluding current maturities)	987.40	(497.28)	(42.91)	447.21

	As at April 1, 2024	Cashflows	Non-cash movement	As at March 31, 2025
Non-current borrowings (including current maturities)	366.38	(352.48)	(0.36)	13.54
Current borrowings (excluding current maturities)	405.28	581.06	1.06	987.40

Summary of material accounting policies 2.3

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy Boddu
Managing Director & CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director, COO & CFO
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Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

1. Corporate Information

Capillary Technologies India Limited ("the Company" or "the Parent Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at #360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, HSR Layout, Bengaluru, Bengaluru South, Karnataka, India, 560102.

The Company along with its subsidiaries (hereinafter collectively referred to as "the Group") are primarily engaged in the business of providing cloud based intelligent customer engagement software solutions.

The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors of the Parent Company on May 06, 2026.

2. Basis of preparation for consolidated financial statements

The material accounting policies applied by the Group in the preparation of its Consolidated Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Consolidated financial statements.

2.1 Basis of preparation

The Consolidated Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind As) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provision of the Companies Act, 2013, as applicable.

The Consolidated Financial Statements have been prepared by the Group as a going concern on the basis of relevant Ind AS that are effective as at March 31, 2026.

The Consolidated financial statements have been prepared on an accrual basis and under historical cost basis, except for certain financial assets and liabilities, (refer accounting policy regarding financial instruments) which have been measured at fair value.

Measurement of Earnings before interest expense, tax, depreciation and amortisation (EBITDA)

As permitted by the Guidance Note on Division II- Ind AS Schedule III to the Companies Act, 2013, the Group has elected to present Earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the restated Consolidated Statement of Profit and Loss. In its measurement of EBITDA, the Group includes other income but does not include depreciation and amortization expense, finance costs, tax expenses/ (credit), net and exceptional items, if any.

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

2.2. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., period ended on March 31. When the end of the reporting period of the Parent Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent Company to enable the Parent Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the Parent Company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of material accounting policies

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

All other assets are classified as non-current

A liability is current when:

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

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

c. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

d. Revenue recognition

Revenue from operations is recognised when control of the services is transferred to the customer at a transaction price that reflects the consideration to which the Group expects to be entitled in exchange for those services.

To determine when to recognise revenue, the Company follows the following 5-step process:

- Identifying the contract with a customer
- Identifying the underlying performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The transaction price of services rendered is net of variable consideration. The transaction price for a contract excludes any amounts collected on behalf of third parties. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the services before transferring them to the customer.

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

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

Income from services

(i) Retainer services

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

(ii) Campaign services

The Group provides SMS campaign services that are bundled together with the retainer services. The Group recognises revenue based on the usage of messaging services i.e., when the Group's services are used based on the specific terms of the contract with customers. The Group recognises revenue either on a gross or net basis depending on the nature of its role in the transaction, in accordance with Ind AS 115. Revenue is recorded on a gross basis when the Group acts as a principal in the transaction, meaning it has control over the services before they are transferred to the customer.

Revenue is recorded on a net basis when the Group acts as an agent, facilitating a transaction between a supplier and the customer. In this case, the revenue is recorded as the net amount retained after deducting the cost of services provided by the supplier.

The determination of whether revenue is recognised on a gross or net basis is assessed on a transaction-by-transaction basis, considering specific terms and conditions of each arrangement

(iii) Installation services

The Group provides a one-time installation services that are bundled together with the retainer services. The Group recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the installation services because there is a direct relationship between the Group's effort and the transfer of service to the customer. The

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

Group recognises revenue on the basis of the milestone achieved which correlates with hours expended relative to the total expected hours to complete the service.

In contracts with customers where the retainership, campaign services and installation services are bundled together, the Group has applied the guidance in IndAS 115 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract and its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

The Group has assessed its revenue arrangements based on the substance of the transaction and business model against specific criteria to determine if its is acting as principal or agent.

Other income

(i) Interest income

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

(ii) Dividend income

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

Contract balances

Contract assets

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

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

Trade receivables

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

Deferred contract costs

Deferred contract costs are incremental costs that are associated with acquiring customer contracts and consists primarily of sales commissions to employees and certain referral fees paid to third-party resellers. 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

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 Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relates less the costs that relate directly to providing the services and that have not been recognised as expenses. The maximum period over which the Group expects to derive benefit from contracts entered into with customers is 3 years. The Group 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.

Contract liabilities

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

e. Taxes on income

Current income tax

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

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

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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profits will allow the deferred tax assets to be recovered.

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

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

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

f. Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

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

Depreciation is calculated on a written down value over the estimated useful lives of the assets as follows which is as per Schedule II of Companies Act, 2013

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

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis

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

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

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

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development

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costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss. when the asset is derecognised.

Intellectual property rights and customer relationships

Intellectual property rights and customer relationships acquired on the acquisition of a subsidiary are measured initially on the basis of fair valuation determined in the Purchase Price Allocation as determined by an independent valuer. Following initial recognition, these intangibles are carried at the initial recognition value less accumulated amortisation and accumulated impairment losses, if any.

Patents

Patents and licenses are measured on initial recognition at professional charges incurred on registration of such patents in connection with the Group customer servicing methodology and if the registration of the patent is under progress, the same is recognised as Intangible assets under development.

Internally generated intangible assets

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

Software product development is expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the cost can be measured reliably. The costs which can be capitalised including the cost of employees and overhead costs that are directly attributable to preparing the asset for its intended use.

The Group has identified certain intangibles which are being internally generated. In the research phase of an internal project, an entity cannot demonstrate that an intangible asset exists that will generate probable future economic benefits. Therefore, this expenditure is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) its intention to complete the intangible asset and use or sell it.

(c) its ability to use or sell the intangible asset.

(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) the availability of adequate technical, financial and other resources to complete

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the development and to use or sell the intangible asset.

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group had completed the research and acceptance phase and the projects are in the development phase. The Group has done evaluation of the internally generated software and concluded on being treated as intangible assets. Refer note 4 for further disclosure.

Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit from the related project. Amortisation expense is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Goodwill

Goodwill (i.e. intangible assets with indefinite useful lives) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is calculated on a Straight-line basis over the estimated useful lives of the assets as follows:

Sl. No.	Block	Useful lives estimated by the management (in years)
1	Computer software	3
2	Intellectual property rights and customer relationships	2 to 5
3	Patents	1 to 3
4	Internally generated intangible assets	3

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

i. Leases

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

Group as a lessee

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

Right-of-use assets

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies stated under 'Impairment of non-financial assets'.

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Lease liabilities

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

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

Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

j. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its property plant and equipment and intangible assets determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

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

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

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

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

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

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

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unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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

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

Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

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

k. Provisions and contingent liabilities

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

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

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

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable

costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

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

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discloses its existence in the Consolidated Financial Statements.

Provisions and contingent liability are reviewed at each balance sheet.

In respect of financial guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

l. Retirement and other employee benefits

Short-term employee benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

Defined contribution plans

Eligible employees of the Group in the United States participate in a savings plan under Section 401(k) ("Plan") of the United States Internal Revenue Code (the "Code"). The Plan allows employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Group has a 401(k) plan that provides defined contribution retirement benefits for all the employees in the United States.

Eligible employees of the Group in India, Singapore, Indonesia and Malaysia participate in a defined contribution plan (Provident Fund, Social Security, Indonesia and Malaysia respectively) in accordance with the regulatory requirements in the respective jurisdictions. Both the employee and the relevant Company in the Group contribute to the fund at a specified percentage of the employee's salary he Group has no further obligation under defined contribution plans beyond the contributions made under these plans.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

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

Past service costs are recognised in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and

b) The date that the Parent Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and loss

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b) Net interest expense or income.

m. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial

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instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Consolidated Statement of Profit and Loss.

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

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

Effective interest method

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

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the Consolidated Statement of Profit and Loss.

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

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the Consolidated Statement of Profit and Loss.

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

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The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

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

De-recognition of financial assets

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

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

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

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in Consolidated Statement of Profit or Loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

b) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-

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recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss .

Off-setting of financial instruments

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

n. **Segment reporting**

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

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

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

o. **Cash and cash equivalents**

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

p. **Share based payments**

Certain employees of the Group are entitled to share-based payments, whereby employees render services as consideration for equity instruments of the holding Group (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate Black-Scholes valuation model.

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement,

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are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

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

q. Foreign currencies

The Group's Consolidated Financial Statements are presented in ₹, which is also the Parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., Consolidated Financial Statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in

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OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Translations

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s. Initial Public Offering (IPO) Transaction cost

The costs of an IPO that involves both issue and listing of new shares and listing the existing equity shares has been accounted for as follows:

- Incremental costs that are directly attributable to issuing new shares has been deducted from equity (net of any income tax benefit).
- Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, has been recorded as an expense in the Consolidated Statement of Profit and Losses and when incurred.
- Costs that relate to both share issuance and listing has been allocated between those functions on a rational and consistent basis i.e. based on proportion of new shares issued to the total number of (new and existing) shares listed.

t. Exceptional Items

Exceptional items refer to items of income or expense within the consolidated statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.4 Material accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as at the date of the Group's Consolidated Financial Statements and reported

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amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Group's Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Group's Consolidated Financial Statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(i) Estimates and assumptions

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

a. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cashflows Model (DCF model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 37 for further disclosures.

b. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 34 for further disclosures.

c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plan operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 31.

Notes to the Consolidated Financial Statements

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d. **Provision for expected credit losses of trade receivables and contract assets**

The Group estimates the credit allowance as per practical expedient based on the historical credit loss experience as enumerated in note 8.1.

e. **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. Refer note 33 for further disclosures.

f. **Share based payments**

The Group measures the cost of equity settled transactions with employees at the grant date using a Black Scholes model for General Employee Share Option Plan (GESP) and 'Capillary Employees Stock Option Scheme' - 2021 (CESP). This estimation also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, risk free interest rate, volatility, dividend yield and time value of money and making assumptions about them. The assumptions and model used for estimating the fair value of the share based payments are disclosed in note 32.

g. **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 29 for further disclosures.

The Group has carried forwarded tax losses. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

h. **Impairment of Goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the respective asset or the relevant cash generating units. The value in use calculation is based on Discounted Cashflows Model ("DCF model"). The cash flows projections are based on estimates and assumptions which are considered as reasonable by the management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate (i.e. 28% p.a) used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group (refer note 4 and 39).

i. **Capitalisation of internally generated software**

The Group has identified certain intangibles which are being internally generated. In the research phase of an internal project, an entity cannot demonstrate that an intangible asset exists that will generate probable future economic benefits. Therefore, this expenditure is recognised as an expense

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when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) its intention to complete the intangible asset and use or sell it.

(c) its ability to use or sell the intangible asset.

(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group had completed the research and acceptance phase and the projects are in the development phase. The Group has done evaluation of the internally generated software and concluded on being treated as intangible assets. Refer note 4 for further disclosure.

j. Cash flow statement

Cash flows are reported using indirect method, whereby net profits/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated. Consolidated cash flow statement presented includes cash flows from both continuing and discontinued operations; amounts related to discontinued operations are disclosed in Note 42.

k. Discontinued operations

A discontinued operation is a component of the Group, the operations and cash flow of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Classification as a discontinued operations occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit and Loss is re-presented as if the operation had been discontinued from the start of the comparative periods.

2.5 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a

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liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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3 Property, Plant and Equipment and Right of use assets

A. Reconciliation of carrying amount

Particulars	Right of use assets	Property, Plant and Equipment (PPE)				Total of PPE
	Buildings	Computers	Office equipments	Leasehold improvements	Furniture and fixtures	
Balance as at April 1, 2024	**44.25**	**66.70**	**4.32**	**1.20**	**1.15**	**73.37**
Additions during the year	63.16	30.52	1.62	-	-	32.14
Disposals during the year	-	(4.84)	(2.71)	-	(0.77)	(8.32)
Translation adjustments during the year	-	0.88	0.08	-	-	0.96
Balance as at March 31, 2025	**107.41**	**93.26**	**3.31**	**1.20**	**0.38**	**98.15**
Additions during the year	76.97	23.69	2.76	8.16	-	34.61
Disposals during the year	-	(17.70)	-	-	-	(17.70)
Translation adjustments during the year	3.09	4.48	-	-	-	4.48
Balance as at March 31, 2026	**187.47**	**103.73**	**6.07**	**9.36**	**0.38**	**119.54**
Accumulated depreciation						
Balance as at April 1, 2024	**14.12**	**37.73**	**2.31**	**1.20**	**0.92**	**42.16**
Charge for the year	33.44	27.26	1.25	-	0.05	28.56
Disposals for the year	-	(4.52)	(2.35)	-	(0.64)	(7.51)
Translation adjustments during the year	0.01	0.56	0.06	-	0.05	0.67
Balance as at March 31, 2025	**47.57**	**61.03**	**1.27**	**1.20**	**0.38**	**63.88**
Charge for the year	55.54	26.45	1.76	1.28	-	29.49
Disposals for the year	-	(15.79)	-	-	-	(15.79)
Translation adjustments during the year	1.73	4.09	0.00	0.09	-	4.18
Balance as at March 31, 2026	**104.84**	**75.78**	**3.03**	**2.57**	**0.38**	**81.76**
Carrying amounts						
As at March 31, 2025	**59.84**	**32.23**	**2.04**	**-**	**-**	**34.27**
As at March 31, 2026	**82.63**	**27.95**	**3.04**	**6.79**	**-**	**37.78**

4 Other Intangible Assets and Intangible Assets Under Development (IAUD)

A. Reconciliation of carrying amount

Particulars	Computer software	Internally generated assets	Intellectual property rights	Patents	Customer relationships	Total	Goodwill[1]	Intangible assets under development
Cost								
Balance as at April 1, 2024	**6.48**	**1,186.55**	**135.63**	**9.88**	**1,099.02**	**2,437.56**	**1,838.44**	**31.10**
Additions during the year	-	271.68	-	-	-	271.68	-	177.59
Capitalisation during the year	-	208.69	-	-	-	208.69	-	(208.69)
Translation adjustments during the year	-	1.17	3.42	-	27.82	32.41	46.54	-
Balance as at March 31, 2025	**6.48**	**1,668.09**	**139.05**	**9.88**	**1,126.84**	**2,950.34**	**1,884.98**	**-**

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4 Other Intangible Assets and Intangible Assets Under Development (IAUD) (Contd..)

Particulars	Computer software	Internally generated assets	Intellectual property rights	Patents	Customer relationships	Total	Goodwill[1]	Intangible assets under development
Additions during the year	-	366.15	-	-	-	366.15	-	-
Additions pursuant to acquisition of a subsidiary (refer note 39)	-	-	172.43	-	390.37	562.80	909.53	-
Translation adjustments during the year	-	4.94	34.32	-	162.39	201.65	301.25	-
Balance as at March 31, 2026	**6.48**	**2,039.18**	**345.80**	**9.88**	**1,679.60**	**4,080.94**	**3,095.76**	**-**
Accumulated amortisation								
Balance as at April 1, 2024	**5.70**	**714.62**	**85.95**	**9.88**	**509.53**	**1,325.68**	**-**	**-**
Charge for the year**	0.21	346.12	27.27	-	186.38	559.98	-	-
Translation adjustments during the year	-	0.76	8.60	-	24.93	34.29	-	-
Balance as at March 31, 2025	**5.91**	**1,061.50**	**121.82**	**9.88**	**720.84**	**1,919.95**	**-**	**-**
Charge for the year	0.12	393.86	59.17	-	211.53	664.68	-	-
Translation adjustments during the year	-	4.40	16.67	-	89.67	110.74	-	-
Balance as at March 31, 2026	**6.03**	**1,459.76**	**197.66**	**9.88**	**1,022.04**	**2,695.37**	**-**	**-**
Carrying amounts								
As at March 31, 2025	**0.57**	**606.59**	**17.23**	**-**	**406.00**	**1,030.39**	**1,884.98**	**-**
As at March 31, 2026	**0.45**	**579.42**	**148.14**	**-**	**657.56**	**1,385.57**	**3,095.76**	**-**

[1]The Group has reassessed its cash generating unit (CGU) to which the goodwill (with indefinite life) acquired in earlier years through acquisition of business, has been entirely allocated arising due to the organisational changes and manner of monitoring the CGUs during the year. Based on this reassessment, it has been concluded that there exists two CGUs. The carrying amount of goodwill as at the end of the year is ₹ 3,095.76 (March 31, 2025: ₹ 1,884.98) millions respectively. As at March 31, 2026, the goodwill amount pertains to acquisition of Kognitiv Solutions Inc., acquired w.e.f. May 1, 2025 amounting to ₹ 1,014.38 millions, and ₹ 2,081.38 millions pertains to the US region.

**Total charge for the year includes amortisation of ₹ Nil millions (March 31, 2025 - ₹ 20.95 millions) related to discontinued operations. Refer note 42.

Notes to the Consolidated Financial Statements

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4 Other Intangible Assets and Intangible Assets Under Development (IAUD) (Contd..)

Following key assumptions were considered while performing impairment testing of Goodwill:

The recoverable amount has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Key Assumption	March 31, 2026	March 31, 2025
Annual growth rate for next 5 financial year	4-10%	4-10%
Terminal growth rate*	4%	4%
Weighted average cost of capital % (WACC) after tax (Discount rate)	27.70%	27.70%

*growth rate has been considered after the financial year for 2024-25 and 2025-26 respectively.

The growth rate used to estimate future performance are based on the estimates from past performance.

The projections cover a period of five years, as the Group believes this to be the most appropriate time period over which to review and consider annual performances before applying fixed terminal value multiple to the final year cashflows. The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Impairment analysis was performed for the goodwill on consolidation. The recoverable amount was determined using the value in use of the cash generating units. The recoverable amount exceeds the carrying value, accordingly no impairment charges were identified for the year ended March 31, 2026 and March 31, 2025.

The Group has conducted sensitivity analysis including sensitivity in respect of discount rate on the impairment assessment of goodwill.

The cash flow projection included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management estimate of the long term compound annual EBITDA growth rate, consistent with the assumption that the market participants would make.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Group)

a. Internally generated intangible assets capitalised and intangible assets under development comprise of the following:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Internally generated assets[1]	Intangible assets under development	Internally generated assets[1]	Intangible assets under development
Salaries, wages and bonus	281.69	-	265.36	50.38
Share-based payments	6.97	-	9.04	-
Software and server charges	62.34	-	47.66	-
Professional and consultancy expenses	15.15	-	158.31	127.21
Total	**366.15**	**-**	**480.37**	**177.59**

[1]Includes ₹ Nil millions (March 31, 2025: ₹ 208.69 millions) capitalised from Intangible assets under development.

5 Financial assets

Unsecured considered good unless otherwise stated

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
At amortised cost		
Bank deposits with remaining maturity greater than 12 months1	233.17	224.22

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5 Financial assets (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	39.33	31.87
Total	**272.50**	**256.09**
Current		
At amortised cost		
Security deposits	15.74	12.43
Other receivables from related parties (refer note 34)2	48.14	12.40
Advances to employees	2.42	2.79
Interest accrued on deposits	26.86	6.31
	93.16	**33.93**
	365.66	**290.02**

[1]Represents bank deposits under lien against short term borrowings bearing interest rate ranging from 4.00% to 7.50% (March 31, 2025 - 7.40% to 7.50%)

[2]Other receivables from related parties are non-interest bearing.

5A Non-current Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in equity instruments		
Unquoted		
At fair value through other comprehensive income (FVTOCI)		
5,014,060 preferred stock (March 31, 2025: Nil) of RFEngage Inc. of $ 0.25 each, fully paid up	118.27	-
Total	**118.27**	**-**
Aggregate book value of unquoted investments	118.27	-
Aggregate market value of unquoted investments	118.27	-
Aggregate amount of impairment of in value of investments	-	-

6 Other tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax	134.40	79.88
Total	**134.40**	**79.88**

7 Investments

Investments in mutual funds

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units (in millions)	Value	No. of units (in millions)	Value
Unquoted				
At fair value through profit and loss (FVTPL)				
HSBC Sterling Liquidity Fund Class A	187.35	187.35	-	-
Goldman Sachs Financial Square Government Fund	283.08	283.08	-	-
Morgan Stanley Institutional Liquidity Funds	165.13	165.13	-	-
Fidelity Government Money Market Fund	221.74	221.74	-	-
Goldman Sachs Financial Square Government Fund	344.69	344.69	-	-
JP Morgan U.S. Government Money Market Fund	36.53	36.53	-	-

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7 Investments (Contd..)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units (in millions)	Value	No. of units (in millions)	Value
Morgan Stanley Institutional Liquidity Funds	7.71	7.71	-	-
		1,246.23		**-**
Aggregate book value of unquoted investments		1,246.23		-
Aggregate market value of unquoted investments		1,246.23		-
Aggregate amount of impairment of in value of investments		-		-

8 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Trade receivables - considered good - Unsecured[1,2,3,4]	1,808.35	1,611.21
Trade receivables - credit impaired - Unsecured (refer note 8.1)[1,2,3,4]	44.52	128.28
	1,852.87	**1,739.49**
Less: Expected credit loss allowance (Refer note 8.1)	(44.52)	(128.28)
Total trade receivables	**1,808.35**	**1,611.21**
- Others[1,2,3,4]	1,808.35	1,611.21
Total trade receivables	**1,808.35**	**1,611.21**

[1]No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Also refer note 35.

[2]Trade receivables are non-interest bearing and are generally on terms of upto 90 days.

[3]Trade receivables includes unbilled revenue amounting to ₹ 262.38 millions (March 31, 2025 - ₹274.51 millions). Refer 8.2 below

[4]There are no disputed trade receivables as on March 31, 2026 and March 31, 2025.

8.1 Expected credit loss allowance

Movement in expected credit loss allowance under simplified approach are provided in the table below:

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	128.28	53.33
Provision made during the year	25.88	78.42
Write off during the year	(125.23)	(4.77)
Translation adjustment	15.59	1.30
At the end of the year	**44.52**	**128.28**

8.2 Trade receivables ageing schedule

As at March 31, 2026

Particulars	Unbilled*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables								
- considered good	261.33	1,043.36	479.04	18.88	5.74	-	-	1,808.35
- credit impaired	1.46	-	2.40	2.62	22.18	15.86	-	44.52
Total	**262.79**	**1,043.36**	**481.44**	**21.50**	**27.92**	**15.86**	**-**	**1,852.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

8 Trade receivables (Contd..)

As at March 31, 2025

Particulars	Unbilled*	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables								
- considered good	274.51	348.28	957.09	13.92	15.69	1.72	-	1,611.21
- credit impaired	-	-	21.41	9.67	94.34	2.86	-	128.28
Total	**274.51**	**348.28**	**978.50**	**23.59**	**110.03**	**4.58**	**-**	**1,739.49**

* Unbilled revenue that primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date.

9 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
- Balance with banks[1]	275.11	2,140.71
Earmarked accounts		
- Balance with banks[2]	83.00	-
Total	**358.11**	**2,140.71**

[1]Balances with banks include restricted bank balances of ₹ Nil millions (March 31, 2025: ₹ 128.18 millions). The restrictions are primarily on account of bank balances held as lien against loan taken by the Group. Loan has been repaid during the year, refer note 14.

[2]Represents the restricted amount pertains to the offer related expenses (expenses pertains to the IPO) which is kept in a separate bank account.

10 Other bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked accounts*		
- Fixed deposit	3,232.40	-
Total	**3,232.40**	**-**

* Represents the primary funds raised during the year through a public offer. These funds have been set aside and are held in a fixed deposits pending their utilisation in accordance with the objects of the issue. Further this amount also includes ₹ 3.50 millions on account of accrued interest.

11 Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Non-current		
Unsecured, considered good		
Deferred contract costs[1] (refer 11.1 for movement in contract balances)		
- considered good	19.77	7.62
- considered doubtful	-	-
Prepaid expenses	2.70	7.93
Advance towards acquisition of a subsidiary/shares[2]	4.42	87.22
Contractual customer asset[3]	622.49	750.48
Total	**649.38**	**853.25**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

11 Other assets (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good		
Advances other than capital advances		
- considered good	13.99	164.40
- considered doubtful	-	-
Deferred contract costs[1] (refer 11.1 for movement in contract balances)		
- considered good	14.91	21.76
- considered doubtful	-	-
Prepaid expenses	131.10	83.92
Balance with statutory/ government authorities	105.87	19.95
Contractual customer asset[3]	205.74	106.34
Total	**471.61**	**396.37**

[1]Deferred contract costs represent commission costs paid to sales team and set out below is the movement in the capitalised contract costs.

[2]As of March 31, 2026 an amount of ₹ 4.42 millions is towards for the purchase of shares and on March 31, 2025, the Group had paid an amount of ₹ 87.22 millions as security deposit for bid submission towards proposed acquisition of Entity/Assets of a conglomerate.

[3]Contractual customer asset includes cost incurred to obtain a customer contract. During the year ended March 31, 2026, an amount of ₹ 110.32 millions was netted off from revenue. Further, translation gain of ₹ 81.74 millions was recognised during the year.

11.1 Deferred contract costs

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	29.38	14.68
Additions during the year	34.82	44.01
Amortised during the year	(31.92)	(29.61)
Translation adjustments during the year	2.40	0.30
At the end of the year	**34.68**	**29.38**
The same is shown under:		
Non-current	19.77	7.62
Current	14.91	21.76

12 Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)
Authorized				
125,000,000 equity shares (March 31, 2025: 125,000,000 equity shares) of ₹ 2 each	125.00	250.00	125.00	250.00
100,000 preference shares (March 31, 2025: 100,000 equity shares) of ₹ 10 each	0.10	1.00	0.10	1.00
Total	**125.10**	**251.00**	**125.10**	**251.00**
Issued, subscribed and fully paid-up shares				
79,407,303 equity shares (March 31, 2025: 73,329,138 equity shares) of ₹ 2 each	79.41	158.81	73.32	146.65
Total	**79.41**	**158.81**	**73.32**	**146.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

12 Equity share capital (Contd..)

(a) Issued share capital

(i) Reconciliation of the number of shares outstanding as at beginning and at the end of the reporting period

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)
Equity shares outstanding as at the beginning of the year	**73.32**	**146.65**	**73.23**	**146.46**
Issuance of share capital[1, 2]	5.98	11.97	0.09	0.19
Exercise of equity settled share based options[3]	0.10	0.19	-	-
Equity shares outstanding as at the end of the year	**79.40**	**158.81**	**73.32**	**146.65**

[1] During the year ended March 31, 2026, the Parent Company has completed its Initial Public Offering (IPO) comprising a fresh issuance of 5,982,635 equity shares with a face value of ₹ 2 each and Offer for Sale of 9,228,796 Equity Shares of face value of ₹ 2 each. These shares were offered at an issue price of ₹ 549-577 per share, which also included 38,095 equity shares reserved for eligible employees. The Parent Company raised a total of ₹ 8,775.01 millions (including ₹ 3,450 millions with respect to fresh issuance of Equity Shares) and the Parent Company's equity shares were subsequently listed on the BSE Ltd. and National Stock Exchange of India Limited with effect from November 21, 2025.

Consequently, the Parent Company received an amount of ₹ 3,229.08 millions (net of Parent Company's share of IPO expenses amounting to ₹ 220.92 millions). The Parent Company has utilised an amount of ₹ 0.13 millions for the year ended March 31, 2026. The net proceeds received pending utilisation as at March 31, 2026 (invested in fixed deposits to the extent of ₹ 3,228.90 millions and balance ₹ 0.05 millions of balance in monitoring bank account).

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2026	Unutilised as at March 31, 2026
Funding for cloud infrastructure cost	1,430.00	-	1,430.00
Investment in research, designing and development of our products and platform	715.81	-	715.81
Investment in purchase of computer systems for our business	103.42	-	103.42
Funding inorganic growth through unidentified acquisitions and general corporate purposes	979.85	0.13	979.72
Net proceeds (net of IPO expenses)	**3,229.08**	**0.13**	**3,228.95**

Note:

Of the total IPO expenses, an amount of ₹ 137.85 millions adjusted with securities premium and ₹ 32.36 millions charged off to the Statement of profit and loss.

[2] Pursuant to the approval of Board of Directors dated January 18, 2025, the Parent Company approved the allotment of 94,785 equity shares of face value of ₹ 2 each at a price of ₹ 526.70 per equity share (including securities premium of ₹ 524.70 per equity share) for an amount aggregating to ₹ 49.92 millions on a private placement basis under the provisions of the Companies Act, 2013 and all other applicable laws and regulations.

[3] Pursuant to the approval of the Board of Directors dated March 12, 2026 and in accordance with the Employee Stock Option Plan (ESOP) of the Company and applicable provisions of the Companies Act, 2013 and relevant regulations, the Company has allotted 95,530 equity shares of face value of ₹ 2 each during the year upon exercise of stock options by eligible employees. The equity shares so allotted rank pari passu with the existing equity shares of the Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

12 Equity share capital (Contd..)

(ii) Shares held by the Ultimate Holding Company*

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held (in millions)	Amount (₹)	No. of shares held (in millions)	Amount (₹)
Capillary Technologies International Pte Ltd (CTIPL), Singapore				
Equity shares of ₹ 2 each fully paid (March 31, 2025: Equity shares of ₹ 2 each fully paid)	-	-	49.14	98.27

* Post listing of the Company (w.e.f. November 21, 2025) , Capillary Technologies International Pte Ltd ceases to hold more than 50% of the Company's equity.

(iii) Details of share held by each shareholder more than 5% shares in the company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares held (in millions)	% holding in the class	No. of shares held (in millions)	% holding in the class
Equity shares of ₹ 2 each (March 31, 2025 : ₹ 2 each), fully paid				
Capillary Technologies International Pte Ltd, Singapore,[1]	39.47	49.70%	49.14	67.00%
Avataar II Co Investment II Ltd	5.52	6.97%	5.52	7.54%
Avataar Venture Partners II	4.04	5.09%	4.04	5.52%

As per the records of the Parent Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

[1]Excludes 24 shares held by Mr. Sridhar Bollam (as a nominee).

(iv) Disclosure of shareholding of promoters

Promoter name	No. of shares at the beginning of the year (in millions)	Change during the period	No. of shares at the end of the year (in millions)	% of total shares	% change during the year
Capillary Technologies International Pte Ltd, Singapore					
March 31, 2026	49.14	(9.67)	39.47	49.70%	(17.30%)
March 31, 2025	51.07	(1.93)	49.14	67.00%	(2.74%)

(v) Rights, preference and restrictions attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

12 Equity share capital (Contd..)

(vi) Rights, preference and restrictions attached to preference shares

The Parent Company has only one class of preference shares having par value of ₹ 10 per share.

Each CCPS had a par value of ₹ 10 and is convertible at the option of the Parent Company into equity shares of the Parent Company prior to the expiry of 20 years from the date of such issuance.

The preference shares carries a dividend of 0.01% per annum. Dividend is to be paid as and when it is paid and declared on the equity shares. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

(vii) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the Parent Company, refer note 32.

13 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings/ (Accumulated deficit)		
Opening balance	(4,692.80)	(5,164.54)
Profit/ (Loss) for the year	523.88	132.80
Add: Re-measurement (losses) on defined benefit plans	(1.19)	(4.24)
Surrender of employee stock options and repurchase, net	-	343.18
	(4,170.11)	**(4,692.80)**
Capital contribution from CTIPL		
Opening Balance	2,736.81	2,736.81
Warrant issued on behalf of the Group	35.49	-
	2,772.30	**2,736.81**
Securities premium		
Opening balance	5,930.48	5,880.75
Issuance of share capital (refer note 12(a)1)	3,438.74	49.73
Exercise of share based options (refer note 12(a)3)	32.74	-
Offer issue expenses (refer note 12(a)1)	(137.85)	
	9,264.11	**5,930.48**
Share based payment reserve (refer note 31)		
Opening balance	371.16	672.61
Share based payment (note 32)	114.26	89.98
Surrender of employee stock options and repurchase, net	-	(391.43)
Exercise of share based options (refer note 12(a)3)	(32.74)	-
	452.68	**371.16**
Capital reserve	**868.23**	**868.23**
Foreign Currency Translation Reserve (FCTR)		
Opening balance	321.94	249.20
Movement during the year	566.97	72.74
	888.91	**321.94**
Total other equity	**10,076.12**	**5,535.82**

Nature and purpose of reserves

13.1 Retained earnings/(Accumulated deficit)

Retained earnings are the losses that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

13 Other equity (Contd..)

13.2 Capital contribution from CTIPL

CTIPL had a share option scheme under which it granted employee stock options to certain employees of the Parent Company without any cross charge. Capital contribution from the CTIPL is used to recognise the value of equity-settled share-based payments provided to employees of the Parent Company, including key management personnel, as part of their remuneration by the CTIPL. Refer note 32 for further details.

13.3 Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium as per the provision of Companies Act, 2013. This reserve is utilised in accordance with the provisions of the Act.

13.4 Share based payment reserve

The Share based payment reserve is used to recognize the grant date fair value of options issued to employees of the Group under Employee Stock Option Plan.

13.5 Capital reserve

Capital reserve is on account of common control transaction as per Appendix C of Ind AS 103.

13.6 Foreign currency translation reserve (FCTR)

The foreign currency translation reserve account represents exchange differences arising from the translation of the financial statements of the Parent Company's overseas subsidiaries from their respective functional currency to the presentation currency of the Parent Company.

14 Borrowings*

At amortised cost	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Term loans from Body Corporate				
US Dollar term loan from Body Corporate - SBA (secured)[1]	-	-	12.82	0.72
Loans repayable on demand				
US Dollar loan from banks (secured)[2a, 2b]	-	-	-	470.02
Bank overdraft (secured)[3]	-	5.67	-	95.72
Working capital loans from banks (secured)[3,4]	-	441.54	-	421.66
Total	**-**	**447.21**	**12.82**	**988.12**

Interest and security notes to Borrowings:

[1]US Dollar term loan from Body Corporate - SBA in relation to a subsidiary has been repaid and outstanding balance is ₹ Nil as at March 31, 2026 (March 31, 2025: ₹ 13.54 millions) which carries interest of 3.75% per annum and is payable on a monthly basis, beginning 12 months from the date of promissory note. Further, the start of repayment of loan has been deferred to December 1, 2022 vide Small Bank Administration (SBA) release number: 22-19 | March 15, 2022. On March 25, 2026, the loan was repaid entirely. These loans are secured by hypothecation of property that the subsidiary now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. The security interest subsidiary grants includes all accessions, attachments, accessories, parts, supplies and replacements for the Collateral, all products, proceeds and collections thereof and all records and data relating thereto.

[2a] Subsidiary had taken credit facility from Bank of America for general business purposes vide a Master Credit Agreement dated April 27, 2022 for USD 1 million at an interest rate of Bloomberg Short-term Bank Yield Index Rate (""BSBY"") Daily Floating Rate plus 2.15 percentage points, which is payable monthly. The credit facility was secured against the subsidiary's accounts; chattel paper; deposit accounts; Documents; general intangibles; goods, including equipment; instruments; inventory; investment property; letters of credit and letter-of-credit rights; money and other assets of such subsidiary that now or later come into the possession, custody, or control of the Bank; all negotiable and non-negotiable documents of title covering any of the foregoing; all accessions, attachments and other additions to, or substitutions and replacements for, the foregoing, and all tools, parts and equipment used in connection with the foregoing; all books and records relating to the foregoing whether in the form of a writing, photograph, microfilm or electronic media, including but not limited to any computer-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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14 Borrowings* (Contd..)

readable memory and any computer software necessary to process such memory; and all proceeds (as such term is defined in the Uniform Commercial Code), all cash or non-cash proceeds (including insurance proceeds), products, rents and profits of the foregoing, and all income, benefits and property receivable on account of the foregoing, and all supporting obligations covering any of the foregoing. During the year ended March 31, 2025, the subsidiary entered into an amended agreement dated November 27, 2024, wherein the sanctioned credit limit was enhanced to USD 4 millions and interest rate term amended to Secured Overnight Financing Rate (SOFR) Daily Floating Rate plus 2.13 percentage points. During the year, the entire loan was repaid and there is USD Nil outstanding as at the year ended March 31, 2026 (March 31, 2025: USD 4 Millions). The security against the credit facility remained the same.

[2b] A Subsidiary had taken a revolving demand note facility from HSBC Bank, USA, National Association dated March 28, 2025 for USD 3 millions at an interest rate of SOFR plus 190 basis points per annum. The Subsidiary grants to Bank a continuing lien on and security interest in any and all deposits and any cash, securities, instruments or other property of the subsidiary in the possession of Bank. During the year, the entire loan was repaid and there is USD Nil outstanding as at the year ended March 31, 2026 (March 31, 2025: USD 1.5 millions).

[3]The Parent Company had availed a bank overdraft facility carrying interest rate linked to the interest rate of the underlying fixed deposits (provided as security) + 150 basis points. The loans were secured by way of hypothecation of stocks, bills, book debts and receivables and fixed deposits held as margin moneys. The statements of current assets filed quarterly with the banks agreed with the book of accounts.

[4]During the year ended March 31, 2026, the Parent Company had availed bank overdrafts facility from various banks, sales invoice discounting facility and pre/post shipment credit facility carrying interest at REPO as reference rate and Secured Overnight Financing Rate (SOFR) plus 175 to 180 basis points per annum. The sales invoice discounting facility and pre/post shipment credit facilities is payable in 180 days from the disbursement of the loan or the due date of the discounted invoice, whichever is earlier. The loans are secured by way of hypothecation of stocks, bills, book debts and receivables and fixed deposits held as margin moneys by a bank. Further, the loan was also secured by way of a pari pasu first charge over all the existing and future current assets (excluding receivables discounted by other banks) and moveable fixed assets. The statement of current assets filed quarterly with banks are in agreements with the book of accounts.

*The Parent Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

15 Lease liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
At amortised cost				
Lease liabilities[1]	40.34	48.52	32.54	30.78
Total	**40.34**	**48.52**	**32.54**	**30.78**

[1]For changes in liabilities arising from financing activities and maturity analysis , refer note 33.

16 Other financial liabilities

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
At amortised cost				
Payable towards share purchase*	-	-	-	5.53
Accrued salaries and benefits	-	175.30	-	139.86
Others#	-	45.25	-	-
Total	**-**	**220.55**	**-**	**145.39**

* Pertains to amounts payable to erstwhile owners of Capillary Technologies LLC in lieu of settlement of contingent consideration payable which is now settled.

Represents the provision amount payable against the IPO offer expenses.

17 Provisions

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Employee benefits - Gratuity (refer note 31)	125.57	13.17	80.71	10.98
Employee benefits - Compensated absences (refer note 31)	-	17.89	-	7.23
Total	**125.57**	**31.06**	**80.71**	**18.21**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

18 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Total outstanding dues of micro and small enterprises[1,2,3]	9.43	13.23
Total outstanding dues of creditors other than micro and small enterprises[1,3]	734.41	492.52
	743.84	**505.75**

Notes:-

1. Trade payables are non-interest bearing and are normally settled on terms upto 90 days.

2. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2026 has been made in the consolidated financial statements based on information received and available with the Parent Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Parent Company has not received any claim for interest from any supplier as at the balance sheet date.

3. The Group does not have any disputed payables for the years ending March 31, 2026 and March 31, 2025.

18.1 Disclosure as per the MSMED Act, 2006

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the period:		
- Principal amount due to micro and small enterprises	9.43	13.23
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Trade payables ageing schedule:

As at March 31, 2026	Unbilled	Outstanding for following periods from the date of the transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
- Total outstanding dues of micro enterprises and small enterprises	-	9.43	-	-	-	9.43

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

18 Trade payables (Contd..)

As at March 31, 2026	Unbilled	Outstanding for following periods from the date of the transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
- Total outstanding dues of creditors other than micro enterprises and small enterprises	422.22	294.22	4.42	1.35	12.20	734.41
	422.22	303.65	4.42	1.35	12.20	743.84

As at March 31, 2025	Unbilled	Outstanding as on March 31, 2024 for following periods from date of transaction				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
- Total outstanding dues of micro enterprises and small enterprises	-	13.23	-	-	-	13.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises	254.98	222.89	0.82	13.83	-	492.52
	254.98	**236.12**	**0.82**	**13.83**	**-**	**505.75**

19 Deferred tax

19A Deferred tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	5.62	6.83
Disallowance of share based payment	9.50	2.30
Reversal of opening share based payment	-	(3.67)
Translation adjustment	1.15	0.16
Closing balance	16.27	5.62

19B Deferred tax liability

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liability related to the following:		
Deferred tax liability on account of acquired intangibles (refer note 39)	27.37	71.04
	27.37	**71.04**

Consolidated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax liability on account of acquired intangibles	(48.32)	(23.19)
Deferred tax assets on disallowance of share based payments	(9.50)	1.37
Deferred tax credit	(57.82)	**(21.82)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

19 Deferred tax (Contd..)

Reconciliation of deferred tax liabilities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	71.04	94.99
Deferred tax credit recognised in the Consolidated Statement of Profit and Loss	(48.32)	(23.19)
Translation adjustments during the year	4.65	(0.76)
Closing balance	**27.37**	**71.04**

20 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities - Deferred revenue (refer note 22.3)	770.99	680.74
Statutory dues payable	53.47	64.51
Advance from customers	214.49	65.73
Total	**1,038.95**	**810.98**

21 Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for income tax (net of advance taxes)	44.08	7.73
	44.08	**7.73**

22 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of services		
Retainership and other services	6,562.00	4,811.05
Installation revenue	720.33	1,100.31
Revenue from campaign services on an agent basis	63.66	71.23
Total	**7,345.99**	**5,982.59**

22.1 Disaggregated revenue information

Set out below is the disaggregated of the company's revenue from contracts with customer based on geography:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
United States of America	4,083.54	3,415.30
United Kingdom	1,134.76	917.23
Others	2,127.69	1,650.06
Total	**7,345.99**	**5,982.59**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

22 Revenue from operations (Contd..)

22.2 Timing of revenue recognition

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Services transferred over time	7,282.33	5,911.36
Services transferred at a point in time	63.66	71.23
	7,345.99	**5,982.59**

22.3 Contract balances

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables (including unbilled revenue) (refer Note 8)	1,808.35	1,611.21
Contract liabilities - Deferred revenue (refer Note 20)	770.99	680.74
Advance from customers (refer note 20)	214.49	65.73
(a):Movement in Contract liabilities - Deferred revenue and advance from customers		
Opening balance	746.47	1,256.66
Add: Revenue to be recognised from performance obligations to be satisfied in succeeding year	985.48	746.47
Less: Revenue recognised that was included in contract liability at the beginning of the year	(746.47)	(1,256.66)
Closing balance	**985.48**	**746.47**

22.4 Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Contracted price	7,491.36	6,060.40
Reduction towards variable consideration component	(145.37)	(77.81)
Revenue from operations	**7,345.99**	**5,982.59**

23 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income under effective interest rate method		
- Interest income on bank deposits	86.54	13.30
- Interest income on security deposits	1.07	0.62
- Interest income on corporate deposits	-	25.18
Other non operating income		
- Profit on sale of investments	16.30	76.53
- Profit on sale of property, plant and equipment (net)	0.03	0.62
- Provisions/ liabilities no longer required written back	9.08	0.18
- Interest income on income tax refund	-	2.05
- Other miscellaneous income	24.32	17.62
Total	**137.34**	**136.10**

24 Employee benefit expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	3,103.03	2,583.31
Contribution to provident and other funds (refer note 31)	163.57	178.59

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

24 Employee benefit expenses (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gratuity expenses (refer note 31)	52.25	21.38
Share based payments (refer note 32)	107.29	77.69
Staff welfare and training and recruitment expenses	112.44	94.23
Total	**3,538.58**	**2,955.20**

25 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on borrowings	35.52	62.66
Interest on lease liabilities (refer note 33)	8.00	3.91
Interest - others	-	1.14
Bank charges	11.12	10.17
Total	**54.64**	**77.88**

26 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer Note 3)	29.49	28.56
Amortisation of intangible assets (refer Note 4)	664.68	539.03
Depreciation of right-of-use assets (refer Note 3)	55.54	33.44
Total	**749.71**	**601.03**

27 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Travelling and conveyance	122.74	101.80
Business promotion expenses	117.69	117.81
Loss allowances under expected credit loss model (refer note 8)	25.88	78.42
Property, plant and equipment written off	1.36	0.81
Rent	34.02	33.17
Rates and taxes	12.28	13.05
Auditor's remuneration	6.25	7.38
Loss on account of foreign exchange fluctuations (net)	48.92	7.24
Sitting fees to non-executive directors (refer note 35)	5.70	3.50
Insurance expenses	17.13	16.26
Miscellaneous expenses	118.15	81.54
Total	**510.12**	**460.98**

28 Exceptional items

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Churn indemnity compensation*	249.60	-
	249.60	**-**

* The Group acquired a business in the United States through one of its subsidiaries, wherein the Purchase and Sale Agreement ("PSA") included a Churn Indemnity Clause — a contractual assurance by the seller that existing customers of the acquired business would continue their association beyond the acquisition date up to an agreed threshold. However, the seller failed to adhere to this commitment, as customer contract terminations during the post-acquisition period exceeded the agreed threshold, thereby constituting a breach of the said clause. Consequent to this breach, the Group received a compensation of ₹ 249.60 millions (CAD 3.88 millions) from the seller in accordance with the terms of the PSA.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

29 Income tax

The Parent Company is subject to income tax in India on the basis of financial statements of the Parent Company. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period. The foreign subsidiaries are subject to taxes as applicable in their respective geographies.

Income tax expenses in the Consolidated Statement of Profit and Loss consist of the following:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Current tax for continuing operations	45.04	(12.90)
(b) Deferred tax expense/ (credit) for continuing operations*	(57.82)	(21.82)
(c) Current tax expense on discontinued operations (refer note 42)	-	0.20
	(12.78)	**(34.52)**

* Deferred tax assets on business losses and unabsorbed depreciation is not recognised for Parent Company since it is not probable that the taxable profit of Parent Company will be available against which the unutilised tax losses and temporary differences can be utilised, as assessed at March 31, 2026.

29.1 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31, 2026	As at March 31, 2025
Profit before tax from continuing operations	511.10	106.82
Loss before tax from discontinued operations	-	(8.54)
Tax at the Indian tax rate of 25.168% (March 31, 2025 : 25.168%)	128.63	24.74
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Temporary differences on which deferred tax is not recognised	(11.68)	65.25
Difference between Indian and foreign tax rates	(71.18)	(40.33)
Reversal of provision for tax for previous years	-	(20.34)
Tax on current year income set off with brought forward losses	(57.04)	(63.18)
Others	(1.51)	(0.66)
Total tax expenses reported in Consolidated Statement of Profit and Loss (continuing and discontinued operations)	**(12.78)**	**(34.52)**

29.2 Deferred tax

Deferred tax assets have been recognised only to the extent of existing deferred tax liabilities, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

29.3 Recognised deferred tax assets and (liabilities)

Movement in temporary differences

Particulars	Opening as at April 1, 2025	Recognized in PL	Recognized in OCI	Others	Closing as at March 31, 2026
Deferred tax liability on intangibles on account of acquisition of a subsidiary	(71.04)	48.32	(4.65)	-	(27.37)
Deferred tax asset on share based payment	5.62	9.50	1.15	-	16.27
Net deferred tax (liabilities)/assets	**(65.42)**	**57.82**	**(3.50)**	**-**	**(11.10)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

29 Income tax (Contd..)

Particulars	Opening as at April 01, 2024	Recognized in PL	Recognized in OCI	Others	Closing as at March 31, 2025
Deferred tax liability on intangibles on account of acquisition of a subsidiary	(94.99)	23.19	0.76	-	(71.04)
Deferred tax asset on share based payment	6.83	(1.37)	0.16	-	5.62
Net deferred tax (liabilities)/assets	**(88.16)**	**21.82**	**0.92**	**-**	**(65.42)**

29.4 Expiration of losses carried forward

The Company has tax losses which arose in India of ₹ 921.60 millions (March 31, 2025: ₹ 1,241.00 millions) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose.

Particulars	As at March 31, 2026	As at March 31, 2025
March 31, 2025	-	156.86
March 31, 2026	-	76.98
March 31, 2031	549.52	635.08
March 31, 2032	372.08	372.08
	921.60	**1,241.00**

Notes:-

i) The Parent Company has unabsorbed depreciation loss of ₹ 450.10 millions (March 31, 2025: ₹481.86 millions) which can be carried forward indefinitely.

ii) As at March 31, 2026, the Group's Singapore entity has accumulated unutilized tax losses of ₹477.61 million that are available for carry forward and set-off against future taxable profits in accordance with applicable tax regulations which can be carried forward indefinitely.

30 Earnings / (Loss) per share (EPS)

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

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

Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

30 Earnings / (Loss) per share (EPS) (Contd..)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Face value of equity shares (₹ per share)	2.00	2.00
(i) EPS from continuing operations		
Profit/ (Loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations (₹ in millions) (a)	523.88	141.54
Weighted average number of equity shares used for computing EPS (basic) from continuing operations (in millions) (b)	75.48	73.25
Effect of dilution:		
Employee share options	0.80	0.78
Weighted average number of equity shares adjusted for the effect of dilution (in millions) (c)	76.28	74.03
EPS- Basic (₹) (d=a/b)	**6.94**	**1.93**
EPS- Diluted (₹) (e=a/c)	**6.87**	**1.91**
(ii) EPS from Discontinued operations		
(Loss)/ Profit attributable to equity shareholders of the Parent Company for basic/ diluted EPS for discontinued operations (₹ in millions) (a)	-	(8.74)
Weighted average number of equity shares used for computing EPS (basic) from discontinued operations (in millions) (b)	75.48	73.25
Effect of dilution:		
Employee share options (number of shares for which no compensation)	0.80	0.78
Weighted average number of equity shares adjusted for the effect of dilution (in millions) (c)	76.28	74.03
EPS- Basic (₹) (d=a/b)	**-**	**(0.12)**
EPS- Diluted (₹) (e=a/c)	**-**	**(0.12)**
(iii) EPS from Continuing and Discontinued operations		
Profit/ (Loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing and discontinued operations (₹ in millions) (a)	523.88	132.80
Weighted average number of equity shares used for computing EPS (basic) from continuing and discontinued operations (in millions) (b)	75.48	73.25
Effect of dilution:		
Employee share options (number of shares for which no compensation)	0.80	0.78
Weighted average number of equity shares adjusted for the effect of dilution (in millions) (c)	76.28	74.03
EPS- Basic (₹) (d=a/b)	**6.94**	**1.81**
EPS- Diluted (₹) (e=a/c)	**6.87**	**1.79**

31 Gratuity and other post-employment benefit plans

I) Defined contribution plan

The Group's contribution to provident fund and other funds are considered as defined contribution plans. The contributions are charged to the Consolidated Ind AS statement of Profit and Loss as they accrue. Contributions to provident and other funds included in employee benefit expenses (refer note 24) are as under:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contribution to provident and other funds	163.57	178.59
Total	**163.57**	**178.59**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

31 Gratuity and other post-employment benefit plans (Contd..)

II) Defined benefit plan

The Parent Company operates an unfunded defined benefit gratuity plan for all of its qualifying employees in India. Gratuity is calculated as 15 days' salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement/ termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Parent Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

The Group also operates an unfunded defined benefit gratuity plan for all of its qualifying employees in Dubai. The Company has determined estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualifying employees as required under UAE Labour Law. Under UAE Labour Law, if an employee served for more than 1 year but less than 5 years, the employee is entitled to 21 days' salary for each completed year of service and if an employee has served for more than 5 years, the employee is entitled to 30 days' of salary for each completed year of service.

The following tables summarise the components of net benefit expenses recognised in the Consolidated Statement of Profit and Loss and amounts recognised in the Consolidated Ind AS Balance Sheet for gratuity benefit:

31 Gratuity and other post-employment benefit plans (cont'd)

i. Net benefit expenses (recognised in the Consolidated Statement of Profit and Loss)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost during the year	29.03	17.01
Past service cost	18.24	
Interest cost on defined benefit obligation during the year	4.99	4.37
Net benefit expenses	**52.26**	**21.38**

ii. Remeasurement loss recognised in other comprehensive income (OCI):

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost during the year	1.19	4.24
Interest cost on defined benefit obligation during the year	-	-
Net benefit expenses	**1.19**	**4.24**

iii. Net defined benefit liability

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	138.74	91.69
Plan liability	**138.74**	**91.69**

iv. Changes in the present value of the defined benefit obligation are as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	91.69	79.13
Current service cost during the year	29.03	17.01
Past service cost*	18.24	-
Interest cost on defined benefit obligation during the year	4.99	4.37
Benefits paid during the year	(8.16)	(13.36)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

31 Gratuity and other post-employment benefit plans (cont'd) (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Actuarial loss on obligations arising from changes in experience adjustments	1.19	4.24
Translation adjustments	1.76	0.30
Closing defined benefit obligation	**138.74**	**91.69**

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion.

The Parent Company has recorded an amount of ₹ 18.24 millions in the Consolidated Statement of Profit and Loss for the year ended March 31, 2026 . The Parent Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

v. The following pay-outs are expected in future years:

Particulars	As at March 31, 2026	As at March 31, 2025
Within the next 12 months	13.38	11.52
Between 1 and 2 years	11.48	9.42
Between 2 and 3 years	9.62	7.71
Between 3 and 4 years	8.30	6.22
Between 4 and 5 years	6.85	5.23
Between 6 and 10 years	24.61	16.38
Beyond 10 years	118.81	80.65
Expected cash outflow in future years	**193.05**	**137.13**

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.93 years (March 31, 2025: 7.38 years).

vi. The principal assumptions used in determining gratuity obligations for the Parent Company's plan are shown below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate (in %)	6.84%	6.66%
Salary escalation rate (in %)	10.00%	10.00%
Employee turnover/ withdrawal rate	20.00%	25.00%
Retirement age	58	58
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes:

i) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

31 Gratuity and other post-employment benefit plans (cont'd) (Contd..)

ii) Plan characteristics and associated risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

vii. A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(8.04)	(4.89)
Impact on defined benefit obligation due to 1% decrease in discount rate	9.26	5.57
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	4.12	2.81
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(4.13)	(2.84)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.33)	(0.62)
Impact on defined benefit obligation due to 1% decrease in attrition rate	(0.01)	0.63

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Consolidated Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

32 Share based payments

Description of the share based payment arrangements

The Group has Capillary Employee Stock Option Scheme – 2021 ("CESP") plan. The share-based payment arrangements of the Group is as below:

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Share based payments (Contd..)

A Capillary Employee Stock Option Scheme - 2021 ('CESP')

The shareholders of Parent Company on October 29, 2021 had approved the 'Capillary Employees Stock Option Scheme' - 2021 (CESP). The plan provides for the issue of 7,175,000 options to eligible employees and eligible directors of the Capillary Group. Capillary Group shall mean the Parent Company, its wholly owned subsidiary and step-subsidiaries, either existing or as may be incorporated from time to time and its Ultimate Holding Company and any successor company thereof.

The plan is administered by a Board of Directors of the Parent Company / nomination and remuneration committee constituted by the Board (as the case may be) (Administrator). Under CESP, all employees of the Group 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 Seven (7) to ten (10) years from the date of grant of such options. Vesting of options would be subject to continued employment with the Group and the options would vest on a quarterly / yearly basis. The option grantee may exercise the vested options as per the scheme.

Measurement of fair values

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

The following table lists the inputs to the option pricing models for the year ended March 31, 2026:

Particulars	March 31, 2026	March 31, 2025
Dividend yield (%)	0%	0%
Expected volatility (%)	31.21%- 31.82%	61.90%
Risk-free interest rate (% p.a.)	6.28%-6.48%	6.60%
Expected life of option (years)	6.75- 9.00	5.5
Weighted average share price as per Pre discount for lack of marketability ("DLOM")	₹ 500.10	₹ 526.70
Weighted average share price as per Post discount for lack of marketability ("DLOM")	₹ 500.10	₹ 509.51

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

Movements during the year

The following table illustrates the number and Weighted Average Exercise Price (WAEP) of, and movements in, CESP plan during the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of options (in millions)	WAEP	Number of options (in millions)	WAEP
Options outstanding at the beginning of the year	1.15	7.85	1.96	2.05
Granted during the year	0.12	2.00	0.49	2.00
Forfeited / lapsed during the year	(0.10)	(2.00)	(0.16)	(1.41)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Share based payments (Contd..)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of options (in millions)	WAEP	Number of options (in millions)	WAEP
Exercised during the year	(0.10)	(2.00)	-	-
Surrender/Repurchase during the year	-	-	(1.14)	(4.91)
Options outstanding at the end of the year	**1.07**	**2.00**	**1.15**	**7.85**
Exercisable at year end	**0.79**		**0.61**	

The weighted average remaining contractual life of vested option as at March 31, 2026 is 6.65 years (March 31, 2025 - 7.19 years) and 8.21 years (March 31, 2025 - 8.61 years) for unvested options.

B Employee stock option expenses

Effective July 1, 2025, the Group has amended its existing CESP plan, whereby the options granted to employees shall vest only upon the achievement of market linked condition of share price and continued employment with the Group at any time during the vesting period with a maximum period of ten (10) years. The options are granted at an exercise price of 20% discount on the fair market value of share price at the grant date of options other than USA employees wherein those are granted at an exercise price of fair market value of share price. The option grantee may exercise the vested options as per the scheme.

Measurement of fair values

The Fair Value of the Options has been calculated using the 'Black-Scholes Option Pricing' methodology and combination of 'Binomial model' & 'Monte Carlo Simulation' methodology.

The following table lists the inputs to the models used for the year ended March 31, 2026:

Particulars	For the year ended March 31, 2026
Dividend yield (%)	0%
Expected volatility (%)	31.17%- 31.41%
Risk-free interest rate (% p.a.)	6.46%-6.74%
Expected life of option (years)	8.70- 9.00 years
Weighted average share price	₹ 500.10

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

Movements during the year

The following table illustrates the number and Weighted Average Exercise Price (WAEP) of, and movements in, CESP plan during the year:

Particulars	For the year ended March 31, 2026	
	No. of options (in millions)	WAEP
Options outstanding at the beginning of the year	-	-
Granted during the year	1.77	406.95
Forfeited/ lapsed during the year	(0.02)	(478.23)
Options outstanding at the end of the year	**1.75**	**406.13**
Exercisable at year end	-	-

The weighted average remaining contractual life of unvested option as at March 31, 2026 is 9.44 years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Share based payments (Contd..)

C Employee stock option expenses

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Arising from equity settled share based payment transaction of CESP recognised in Employee benefit expenses. (refer note 24)*	107.29	77.69

* Excludes ₹ 6.97 millions (March 31, 2025: ₹ 9.04 millions) on account of expense arising from equity settled share based payment transaction of CESP recognised in internally generated intangible assets.

33 Leases

Company as a lessee

The Group has lease contracts for office facilities. The lease term of the office facilities is generally 1-3 years. The Group also has certain leases of offices with lease terms of 12 months or less or low value. The Group applies the leases of low value assets and short term leases recognition exemptions for these leases.

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

(a) The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 8.54% - 9.5% as on March 31, 2026 (March 31, 2025: 9.5%)

Particulars	As at March 31, 2026	As at March 31, 2025
(b) Carrying value of right-of-use assets at the end of the reporting period (refer note 3)	82.63	59.84
(c) Analysis of lease liabilities		
Opening lease liabilities	63.32	31.43
Addition during the year	75.78	60.95
Accretion of interest during the year	8.00	3.91
Cash outflow towards payment of lease liabilities during the year	(61.70)	(33.04)
Translation adjustments if any	3.46	0.07
Closing lease liabilities	**88.86**	**63.32**

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than One year	53.85	34.63
More than One less than Five years	42.20	35.19

Particulars	As at March 31, 2026	As at March 31, 2025
(d) Impact of statement of profit and loss		
Depreciation on right-of-use assets	55.54	33.44

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

33 Leases (Contd..)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest expense on lease liabilities	8.00	3.91
Expenses relating to short-term leases (included in other expenses)	34.02	33.17
	97.56	**70.52**
(e) Amounts recognised in the Consolidated Cash Flow Statement		
Total outflow for leases - principal	53.70	29.13
Total outflow for leases - interest	8.00	3.91
	61.70	**33.04**

34 Contingent liabilities

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

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

Particulars	As at March 31, 2026	As at March 31, 2025
Bank guarantees outstanding	3.91	3.91

35 Related party disclosures

a) Names of the related parties and description of relationship

Nature of relationship	Name of the party
Related party where control exists	Capillary Technologies International Pte. Ltd., Singapore (Ultimate Holding Company, until November 21, 2025)
Related party under common control	Reasoning Global eApplications Private Limited, India
A private company in which Key Managerial Personnel or their relatives is a member or director	Ms. Biotech Private Limited
Key managerial personnel and their relatives (where transactions have taken place)	Mr. Aneesh Reddy Boddu, Executive Director, Chief Executive Officer (Appointed w.e.f. April 1, 2024) and Managing Director
	Mr. Anant Choubey, Whole-time Director, Chief Operating Officer and Chief Financial Officer
	Mr. Venkat Ramana Tadanki, Independent Director
	Mrs. Neelam Dhawan, Chairperson & Independent Director
	Mrs. Yamini Preethi Natti, Independent Director (upto May 7, 2025)
	Mr. Farid Lalji Kazani, Independent Director
	Mr. Peeyush Ranjan, Independent Director (w.e.f. May 7, 2025)
	Mrs. G. Bhargavi Reddy, Company Secretary and Compliance Officer

Note: Refer note 40, containing the information about the group structure including the details of the subsidiaries.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (Contd..)

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

1) Transactions during the year

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Sitting fees to non-executive directors		
Mr. Venkat Ramana Tadanki	1.50	0.90
Mrs. Neelam Dhawan	1.50	1.10
Mrs. Yamini Preethi Natti	0.20	0.70
Mr. Farid Lalji Kazani	1.80	0.80
Mr. Peeyush Ranjan	0.70	-
b) Expenditure incurred by the Company on behalf of others		
Reasoning Global eApplications Private Limited, India	0.01	0.00
c) Expenditure incurred by the Group on behalf of Ultimate Holding Company		
Capillary Technologies International Pte. Ltd., Singapore	14.80	3.52
d) Expenditure incurred by the Ultimate Holding Company on behalf of the Group		
Capillary Technologies International Pte. Ltd., Singapore	3.42	7.87
e) Other miscellaneous income		
Capillary Technologies International Pte. Ltd., Singapore	19.93	13.67
f) Remuneration to key managerial personnel and their relatives (including employee stock option expenses)*		
Mr. Anant Choubey	39.64	12.96
Mr. Aneesh Reddy Boddu	17.21	16.31
Mrs. G. Bhargavi Reddy	7.19	5.58

*The remuneration to KMPs disclosed above includes share based payment for the year amounts to ₹ 26.25 millions (March 31, 2025: ₹ 0.26 millions)

2) Outstanding balances as at year end:

Particulars	As at March 31, 2026	As at March 31, 2025
a) Other receivables from related parties		
Capillary Technologies International Pte. Ltd., Singapore	48.14	12.24
Reasoning Global eApplications Private Limited, India	0.01	0.16
b) Other payables to related parties		
Capillary Technologies International Pte. Ltd., Singapore	41.86	-

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

Share options held by key managerial personnel under the share based payments plan to purchase equity shares are as follows:

Share based payments plan	Exercise price	Amount Outstanding (in millions) For the year ended March 31, 2026	Amount Outstanding (in millions) For the year ended March 31, 2026
Capillary Employees Stock Option Scheme' - 2021 ('CESP')	₹ 2	0.10	0.22
Capillary Employees Stock Option Scheme' - 2021 ('CESP')	₹ 400	26.15	-

No share options have been granted to the non-executive members of the Board of Directors under the share based payments plans of the Parent Company. Refer to note 32 for further details on CESP.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (Contd..)

Notes:-

1. The transactions with related parties are made by the Group on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

2. As the liability for gratuity and leave encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to remuneration to the key managerial personnel are not ascertainable and, therefore, not disclosed above.

3. In respect of the transactions with the related parties, the Company has complied with the provisions of Section 188 and Section 177 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.

4. Refer note 14 for borrowings with regard to securities given by the Ultimate Holding Company for the loan facility availed by the Parent Company.

5. The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

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

(a) Information about reportable segments

Basis of identifying operating segments / reportable segments:

(i) Basis of identifying operating segments:

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

(ii) Reportable segments:

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

Two or more operating segments may be aggregated into a single operating segment if aggregation is consistent with the core principle of Ind AS 108 - 'Operating Segments' i.e. the segments have similar economic characteristics and the segments are similar in the nature of services, type or class of customer for their services etc. CODM evaluates the performance of the Group based on the single operative segment as cloud based intelligent customer engagement software solutions to retail chain operators ('CRM Services'). Therefore, there is only one reportable segment called CRM services in accordance with the requirement of Ind AS 108 "Operating Segments".

(iii) Major Customers greater than 10% of total revenue

Revenue from one customer for March 31, 2026 and March 31, 2025 that individually accounted for more than 10% of the total revenue.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

36 Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments' (Contd..)

(b) Geographical information

(i) Revenue[1]

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
United States of America	4,083.54	3,415.30
United Kingdom	1,134.76	917.23
Others	2,127.69	1,650.06
Revenue from continuing operations	**7,345.99**	**5,982.59**
Revenue from discontinued operations	**-**	**332.83**
Total revenue	**7,345.99**	**6,315.42**

[1]Revenue by geographical area are based on the geographical location of the customer

(ii) Non-current assets[2]

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
United States of America	4,485.69	3,009.83
United Kingdom	126.51	169.57
Others	638.92	683.33
Total	**5,251.12**	**3,862.73**

[2]Non-current assets exclude financial instruments (other than investments accounted for using the equity method), income-tax assets, deferred tax assets and employee benefit assets. There were no non-current assets for the discontinued operations. Also refer note 42.

37 Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on Consolidated Balance Sheet items that contain financial instruments.

The details of material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.3(m).

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material. There are financial instruments which are measured at fair value through other comprehensive income as at March 31, 2026 and March 31, 2025

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2026 and March 31, 2025:

As at March 31, 2026	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
(i) Investments	-	118.27	1,246.23	1,364.50
(ii) Trade receivables*	1,808.35	-	-	1,808.35
(iii) Cash and cash equivalents*	358.11	-	-	358.11
(iv) Other bank balances*	3,232.40	-	-	3,232.40
(v) Other financial assets*	365.66	-	-	365.66
Total	**5,764.52**	**118.27**	**1,246.23**	**7,129.02**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (Contd..)

As at March 31, 2026	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial liabilities				
(i) Borrowings*	447.21	-	-	447.21
(ii) Trade payables*	743.84	-	-	743.84
(iii) Lease liabilities*	88.86	-	-	88.86
(iv) Other financial liabilities*	220.55	-	-	220.55
Total	**1,500.46**	**-**	**-**	**1,500.46**

As at March 31, 2025	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Financial assets				
(i) Investments	-	-	-	-
(ii) Trade receivables*	1,611.21	-	-	1,611.21
(iii) Cash and cash equivalents*	2,140.71	-	-	2,140.71
(iv) Loans*	-	-	-	-
(v) Other financial assets*	290.02	-	-	290.02
Total	**4,041.94**	**-**	**-**	**4,041.94**
Financial liabilities				
(i) Borrowings*	1,000.94	-	-	1,000.94
(ii) Trade payables*	505.75	-	-	505.75
(iii) Lease liabilities*	63.32	-	-	63.32
(iv) Other financial liabilities*	145.39	-	-	145.39
Total	**1,715.40**	**-**	**-**	**1,715.40**

* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value and hence the Company has not disclosed the fair values.

(b) Fair value hierarchy

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

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

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

The following table provides the fair value measurement hierarchy of the Group's assets:

As at March 31, 2026	Level 1	Level 2	Level 3
Investments	-	1,246.23	118.27

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (Contd..)

As at March 31, 2025	Level 1	Level 2	Level 3
Investments	-	-	-

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

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

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2026 and March 31, 2025.

(c) Financial risk management objectives and policies

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

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy. The Company had invested in US treasury bonds, hence it does not have market risk/sensitivity risk.

(1) Market risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. Thus profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in the credit rating of the Group will have an adverse impact on the interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed rate instruments:		
Financial liabilities	-	13.54
Variable rate instruments:		
Financial liabilities	447.21	987.40

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (Contd..)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax/equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest rate fluctuation	+50	(2.24)	(4.94)
Interest rate fluctuation	-50	2.24	4.94

(2) Market risk- Foreign currency risk

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

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount in foreign currency (in millions)	Amount in ₹	Amount in foreign currency (in millions)	Amount in ₹
Trade receivables				
USD	6.25	589.29	5.16	441.05
MYR	-	-	0.01	0.14
AED	0.14	3.60	-	-
AUD	0.04	2.78	-	-
CAD	0.01	0.46	-	-
EUR	0.52	56.47	0.36	32.89
IDR	2,738.40	15.20	-	-
NZD	0.02	1.21	-	-
SAR	0.73	18.30	-	-
VND	561.88	2.01	-	-
Cash and cash equivalents				
USD	0.91	86.05	15.74	1,345.02
GBP	0.13	15.60	-	-
AUD	0.33	20.99	-	-
Trade payables				
USD	1.92	180.83	0.84	71.68
SGD	-	-	-	-
BDT	-	-	-	-
GBP	-	-	-	-
AUD	-	-	-	-
EUR	0.09	10.01	0.10	9.33
CAD	-	-	0.01	0.31
JPY	5.17	3.05	6.14	3.50
PHP	0.01	0.01	0.01	0.01

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in respective foreign currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (Contd..)

Particulars	Change in currency	Effect on profit or loss before tax	
		Strengthening	Weakening
As at March 31, 2026			
USD	5%	24.73	(24.73)
AED	5%	0.18	(0.18)
AUD	5%	1.19	(1.19)
CAD	5%	0.02	(0.02)
EUR	5%	2.32	(2.32)
IDR	5%	0.76	(0.76)
NZD	5%	0.06	(0.06)
SAR	5%	0.92	(0.92)
VND	5%	0.10	(0.10)
GBP	5%	0.78	(0.78)
JPY	5%	(0.15)	0.15
PHP	5%	(0.00)	0.00
As at March 31, 2025			
USD	5%	85.72	(85.72)
MYR	5%	0.01	(0.01)
EUR	5%	1.18	(1.18)
CAD	5%	(0.02)	0.02
JPY	5%	(0.17)	0.17
PHP	5%	(0.00)	0.00

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2026 and March 31, 2025. The year end balances are not necessarily representative of the average debt outstanding during the year.

(ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1,808.35 millions and ₹ 1,611.21 millions as at March 31, 2026 and March 31, 2025 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses at each reporting date, right from initial recognition. The company uses the forwarded looking information to determine Expected Credit Loss (ECL) model and uses provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix takes into account, available external and internal credit risk factors and the Company's historical experience with customers. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses. Credit risk on cash and cash equivalents including other bank balances, investment in mutual funds and debt securities is limited as the Company generally invest in deposits with banks, financial institutions and counterparties with high credit ratings assigned by international and domestic credit rating agencies.

For ageing analysis of the trade receivables, refer note 8.

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Group's treasury department in accordance with the Group's policy.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (Contd..)

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Credit risk on liquid funds and Inter Corporate deposits is limited because the counterparties are banks and companies with high credit-ratings assigned by credit-rating agencies.

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances amounts to ₹ 44.52 millions and ₹ 128.28 millions as at year ended March 31, 2026 and March 31, 2025 respectively.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund based working capital limits from a bank. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Group monitors its risk of shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

Particulars	Contractual Cash Flows		Carrying Amount	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Less than 1 year				
Borrowings (refer note below)	447.21	987.40	447.21	988.12
Lease liabilities	53.85	34.63	48.52	30.78
Trade payables	743.84	503.30	743.84	503.30
Other financial liabilities	220.55	145.39	220.55	145.39
	1,465.45	**1,670.72**	**1,460.12**	**1,667.59**
Between 1 to 5 years				
Borrowings (refer note below)	-	3.00	-	3.00
Lease liabilities	42.20	35.19	40.34	32.54
Trade payables	-	2.45	-	2.45
Other financial liabilities	-	-	-	-
	42.20	**40.64**	**40.34**	**37.99**
More than 5 years				
Borrowings (refer note below)	-	9.82	-	9.82
Lease liabilities	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	**9.82**	**-**	**9.82**
Total	**1,507.65**	**1,721.18**	**1,500.46**	**1,715.40**

Notes:

a. The above disclosure excludes interest to be paid on the borrowings, by the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

38 Capital management

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

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

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors debt equity ratio, which is Net debt i.e. total debts less funds divided by total equity. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

Particulars	As at March 31, 2026	As at March 31, 2025
Share capital	158.81	146.65
Other Equity	10,076.12	5,535.82
Equity (A)	**10,234.93**	**5,682.47**
Cash and cash equivalents	358.11	2,140.71
Current Investments	1,246.23	-
Total Fund (B)	**1,604.34**	**2,140.71**
Lease liabilities (F)	88.86	63.32
Borrowings	447.21	1,000.94
Total debts (C)	**536.07**	**1,064.26**
Net Debt (D=(C-B))	**(1,068.27)**	**(1,076.45)**
Total capital (equity + net debt)	9,166.66	4,606.02
Net debt to equity ratio (E=D/A)	*	*
Net debt (excluding lease liabilities)[G=(D-F)]	(1,157.13)	(1,139.77)
Net debt to equity ratio (excluding lease liabilities) (H=G/A)	*	*

* Net debt is negative and hence not applicable.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

During the year ended and previous year ended March 31, 2026 and March 31, 2025, the Group had repaid certain borrowings with the amount of funds generated during the year/ raised during the previous year in order to de-leverage the balance sheet. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2026 and March 31, 2025.

39 Business Combinations

Acquisitions during the year ended March 31, 2026

On March 31, 2025, Capillary Technologies LLC, a subsidiary of Capillary Pte. Ltd. (which is wholly owned by the Parent Company), entered into a Purchase and Sale Agreement with Loyalty Solutions Holdings US Inc. (LSI) to acquire 100% equity interest in Kognitiv Solutions Inc., a company incorporated in Ontario, Canada which is a wholly owned subsidiary of LSI and to purchase the rights, title and interest of the Intellectual property.

As part of the transaction, Capillary Technologies LLC also entered into a separate Asset Purchase Agreement with Kognitiv US LLC (another wholly owned subsidiary of LSI) to acquire customer contracts, customer relationships, and associated receivables. These agreements jointly constitute a business combination in accordance with the

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

39 Business Combinations (Contd..)

principles of Ind AS 103 w.e.f. May 1, 2025 for a consideration of Canadian Dollar 23.44 millions (net of net working capital amounting to Canadian Dollar 0.56 millions) . This strategic acquisition is expected to enhance the Company's loyalty business operations in the United States and establish a presence in Canada.

Assets acquired

The fair value of identifiable assets and liabilities of the group i.e. Kognitiv Solutions Inc are shown below:

Particulars	Balance recognised on acquisition
Purchase consideration paid in cash	1,440.09
Add: Consideration paid for settlement of debt and debt like items	7.34
Add: Liabilities paid off on the date of acquisition*	24.90
	1,472.33
Less: Identified intangible assets acquired	
- Customer relationship	390.37
- Intellectual property rights	172.43
Goodwill	**909.53**

*Represents net liabilities after offsetting trade receivables and prepaid expenses against trade payables and other liabilities.

All other disclosures as required under Ind AS 103 are as follows -

(i) No contingent liabilities have been recognised.

(ii) There are no such transactions that are recognized separately from the acquisition of assets and assumption of liabilities in the business combination.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The primary items that generated this goodwill are the value of the acquired assembled workforce and estimated synergies, neither of which qualify as an intangible asset.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. The transaction costs of ₹17.29 millions related to the acquisition have been included under Professional and consultancy expenses in the Consolidated Statement of Profit and loss for the year ended March 31, 2026.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

40 Statutory group information

For the year ended March 31, 2026

Name of the entity in the Group	Country of incorporation	Relationship as at March 31, 2026	% of effective ownership interest held (directly & indirectly) and voting rights	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				March 31, 2026		March 31, 2026		March 31, 2026		March 31, 2026	
			March 31, 2026	As % of consolidated net assets*	₹ in millions	As % of consolidated profit or loss*	₹ in millions	As % of consolidated other comprehensive income*	₹ in millions	As % of total comprehensive income*	₹ in millions
Parent Company											
Capillary Technologies India Limited	India	Parent Company		80.43%	8,232.28	5.52%	28.91	(0.21%)	(1.19)	2.54%	27.72
Foreign Subsidiaries											
Capillary Pte. Ltd	Singapore	Subsidiary	100%	42.04%	4,302.99	6.73%	35.26	0.00%	-	3.24%	35.26
Capillary Technologies DMCC	UAE	Subsidiary	100%	(0.69%)	(70.29)	2.19%	11.48	0.00%	-	1.05%	11.48
Capillary Technologies Shanghai Co. Ltd	China	Subsidiary	100%	0.00%	0.50	0.00%	-	0.00%	-	0.00%	-
Capillary Technologies (Malaysia) Sdn Bhd	Malaysia	Subsidiary	100%	(0.88%)	(89.87)	0.19%	0.97	0.00%	-	0.09%	0.97
PT Capillary Technologies Indonesia	Indonesia	Subsidiary	100%	(0.46%)	(47.34)	0.21%	1.11	0.00%	-	0.10%	1.11
Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC')	USA	Subsidiary	100%	45.16%	4,622.44	104.91%	549.61	0.00%	-	50.44%	549.61
Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc)	USA	Subsidiary	100%	3.63%	372.00	20.09%	105.26	0.00%	-	9.66%	105.26
Capillary Technologies Inc.	USA	Subsidiary	100%	0.18%	18.74	0.33%	1.74	0.00%	-	0.16%	1.74
Kognitiv Solutions Inc. w.e.f. May 1, 2025	Canada	Subsidiary	100%	(0.35%)	(36.01)	0.22%	1.16	0.00%	-	0.11%	1.16
Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited)	United Kingdom	Subsidiary	100%	1.36%	138.92	5.20%	27.22	0.00%	-	2.50%	27.22
Sub Total				**170.42%**	**17,444.36**	**145.59%**	**762.72**	**(0.21%)**	**(1.19)**	**69.89%**	**761.53**
Consolidation adjustments/ eliminations**				**(70.42%)**	**(7,209.43)**	**(45.59%)**	**(238.84)**	**100.21%**	**566.97**	**30.11%**	**328.13**
Total				**100.00%**	**10,234.93**	**100.00%**	**523.88**	**100.00%**	**565.78**	**100.00%**	**1,089.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

40 Statutory group information

For the year ended March 31, 2025

Name of the entity in the Group	Country of incorporation	Relationship as at March 31, 2025	% of effective ownership interest held (directly & indirectly) and voting rights	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				March 31, 2025		March 31, 2025		March 31, 2025		March 31, 2025	
			March 31, 2025	As % of consolidated net assets*	₹ in millions	As % of consolidated profit or loss*	₹ in millions	As % of consolidated other comprehensive income*	₹ in millions	As % of total comprehensive income*	₹ in millions
Capillary Technologies India Limited	India	Parent Company		84.07%	4,777.19	26.22%	34.82	(6.19%)	(4.24)	15.31%	30.82
Capillary Pte. Ltd	Singapore	Subsidiary	100%	74.96%	4,259.65	19.62%	26.05	0.00%	-	12.94%	26.05
Capillary Technologies DMCC	UAE	Subsidiary	100%	(1.52%)	(86.60)	6.99%	9.29	0.00%	-	4.61%	9.29
Capillary Technologies Shanghai Co. Ltd	China	Subsidiary	100%	0.01%	0.43	(0.54%)	(0.71)	0.00%	-	(0.35%)	(0.71)
Capillary Technologies (Malaysia) Sdn Bhd	Malaysia	Subsidiary	100%	(1.35%)	(76.48)	0.24%	0.32	0.00%	-	0.16%	0.32
PT Capillary Technologies Indonesia	Indonesia	Subsidiary	100%	(0.80%)	(45.40)	1.01%	1.34	0.00%	-	0.67%	1.34
Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC')	USA	Subsidiary	100%	45.27%	2,572.40	324.42%	430.84	0.00%	-	214.03%	430.84
Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc)	USA	Subsidiary	100%	3.96%	225.02	(125.32%)	(166.43)	0.00%	-	(82.68%)	(166.43)
Capillary Technologies Inc.	USA	Subsidiary	100%	0.27%	15.29	1.37%	1.81	0.00%	-	0.90%	1.81
Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited)	United Kingdom	Subsidiary	100%	1.64%	93.11	19.47%	25.86	0.00%	-	12.85%	25.86
Sub Total				**206.51%**	**11,734.61**	**273.48%**	**363.19**	**(6.19%)**	**(4.24)**	**178.44%**	**359.19**
Consolidation adjustments/ eliminations**				**(106.51%)**	**(6,052.14)**	**(173.48%)**	**(230.39)**	**106.19%**	**72.74**	**(78.44%)**	**(157.89)**
Total				**100.00%**	**5,682.47**	**100.00%**	**132.80**	**100.00%**	**68.50**	**100.00%**	**201.30**

* The figures have been considered from the respective standalone financial statements.

** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

41 Assessment of arm's length for related party transactions

The Group is subject to local transfer pricing regulations in each of the geographies in which it operates for determining the arm's length income and expenditure as derived from the related party transactions. These regulations, require maintenance of prescribed documents and/or furnishing the certificate by the management or an external accountant within the specified due date under the regulations to support the arm's length outcome determination by the Group. Based on these guidelines, the management is of the opinion that the related party transactions are at arm's length and does not warrant any adjustment, on the part of the management, on the amount of tax expense and tax provision reported in the Consolidated Financial Information. The Parent Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the Income Tax Act 1961 ('regulations') to determine whether the transactions entered during the year ended March 31, 2026 with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the Consolidated Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

42 Discontinued Operations

(i) During the previous year, the Parent Company vide its Board resolution dated January 27, 2025, decided to discontinue its operations in the Anywhere Commerce Platform ('ACP') effective from October 1, 2024. The ACP business of the Group comprised of operations and cashflow that was clearly distinguished from the operations of the rest of the Group. Accordingly, the Group has derecognised the net carrying value of assets of ₹ 6.49 millions to the Consolidated Statement of Profit and Loss for the year ended March 31, 2025.

The (Loss)/ Profit from the Discontinued Operations is as mentioned below:

Particulars	For the year ended March 31, 2025
I. Revenue from operations	62.78
II. Other income	-
III. Total income (I+II)	**62.78**
IV. Total expenses	72.25
V. (Loss)/Profit before tax (III-IV)	**(9.47)**
VI. Tax expense (net) from discontinued operations	-
VII.(Loss)/ profit for the period/year from discontinued operations (V-VI)	**(9.47)**
Net cashflow attributable to the cash generating component is as follows:	
Cashflow from Operating activities	1.20
Cashflow from Investing activities	-
Cashflow from Financing activities	-
Net increase in cash and cash equivalents	**1.20**

(ii) During the previous year, the Parent Company vide its Board resolution dated March 12, 2025, had decided to discontinue its operations in the Digital business effective from March 31, 2025. The e-commerce business of the Group comprised of operations and cashflow that was clearly distinguished from the operations of the rest of the Group. The business did not have any assets which were not recoverable and accordingly, no amount was derecognised to the Consolidated Statement of Profit and Loss for the year ended March 31, 2025.

The Profit from the Discontinued Operations is as mentioned below:

Particulars	For the year ended March 31, 2025
I. Revenue from operations	270.05
II. Other income	-
III. Total income (I+II)	**270.05**
IV. Total expenses	269.12
V. Profit before tax (III-IV)	**0.93**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

42 Discontinued Operations (Contd..)

Particulars	For the year ended March 31, 2025
VI. Tax expense (net) from discontinued operations	0.20
VII.Profit for the year from discontinued operations (V-VI)	**0.73**
Net cashflow attributable to the cash generating component is as follows:	
Cashflow from Operating activities	16.12
Cashflow from Investing activities	-
Cashflow from Financing activities	-
Net increase in cash and cash equivalents	**16.12**

43 Other statutory information:

(i) The Parent Company has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, or security or the like on behalf of the Ultimate Beneficiaries except below:

Name of the Intermediaries to which funds are advanced	Date of funds advanced	Amount of funds advanced	Date on which funds are invested by Intermediaries to the Ultimate Beneficiaries	Amount of funds further advanced to Ultimate Beneficiaries	Ultimate Beneficiaries
For the year ended March 31, 2026					
Capillary Pte. Ltd., Singapore	March 28, 2025	1,282.05	April 28, 2025	1,300.45	refer note below
			April 29, 2025		
For the year ended March 31, 2025					
Nil					

The Parent Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money Laundering Act, 2022 (15 of 2003).

Complete details of the Intermediaries and Ultimate Beneficiaries are given below.

Note : Capillary Pte. Ltd., has invested in the shares of Capillary Technologies LLC, USA in the month of April 2025, which has further invested in the acquisition of Kognitiv Solutions, Inc.

(ii) The Parent Company has not received funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Parent Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

(iv) The Parent Company does not have any Benami property, where any proceeding has been initiated or pending against the Parent Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(v) The Parent Company does not have any transactions with companies struck off during the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

43 Other statutory information:

(vi) The Parent Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period other than those disclosed in note 14.

(vii) The Parent Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025.

44 Events after reporting period:

On February 24, 2026, Capillary Technologies LLC entered into a Share Purchase Agreement with Mastercard International Incorporated for the acquisition of all issued and outstanding common stock of Session M Inc. (Delaware, USA), together with its wholly owned subsidiary, SessionM Czech Republic s.r.o., for a total consideration of USD 20.00 millions. As part of the transaction, SessionM Czech Republic s.r.o. has been transferred to Capillary Pte. Ltd. The transaction is completed with effect from May 01, 2026.

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration
number: 001076N/N500013

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :L72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122

Place: Bengaluru
Date: May 06, 2026

Aneesh Reddy Boddu
Managing Director
& CEO
DIN: 02214511

Place: Bengaluru
Date: May 06, 2026

Anant Choubey
Whole-time Director,
COO & CFO
DIN: 06536413

Place: Bengaluru
Date: May 06, 2026

Gireddy Bhargavi Reddy
Company Secretary and
Compliance officer
Membership No: A17091

Place: Bengaluru
Date: May 06, 2026

NOTICE

Notice is hereby given that the Fourteenth (14th) Annual General Meeting ("AGM") of Capillary Technologies India Limited ("the Company") will be held on Friday, August 28, 2026 at 11:30 am Indian Standard Time A.M. ("IST"), through Video Conferencing / Other Audio Visual Means ("VC/OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Standalone Financial Statements along with the Reports of the Board of Directors and of the Statutory Auditors thereon for the Financial Year ended March 31, 2026.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2026 together with the reports of Board of Directors and of the Statutory Auditors thereon be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements along with the reports of the Statutory Auditors thereon for the Financial Year ended March 31, 2026.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 together with the reports of the Statutory Auditors thereon be and are hereby received considered and adopted."

3. **To appoint a Director in place of Mr. Aneesh Reddy Boddu (DIN: 02214511), who retires by rotation and being eligible, offers himself for re-appointment:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Aneesh Reddy Boddu (DIN: 02214511), Managing Director and Chief Executive Officer of the Company, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, and such re-appointment shall not constitute a break in his office as Managing Director and Chief Executive Officer of the Company."

By order of the Board of Directors
For **Capillary Technologies India Limited**

Sd/-
Bhargavi Reddy Gireddy
Company Secretary and Compliance Officer
M. No- A17091
Registered Office: 360, bearing PID No: 101, 360, 15th Cross Rd,
Sector 4, HSR Layout, Bengaluru, Karnataka- 560102

Date: May 29, 2026
Place: Bengaluru

NOTES:

a) Pursuant to the General Circular No. 09/2024 dated September 19, 2024 and 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs ("MCA") and relevant circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time, companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") and MCA circulars, the 14th AGM of the Company is being held through VC/OAVM without the physical presence of Members at a common venue. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company at 360, bearing PID No: 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka- 560102, which shall be deemed venue of the AGM.

b) Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA and SEBI circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence, the proxy form, attendance slip and route map of AGM are not annexed to this notice.

c) Institutional / Corporate Members are entitled to appoint authorised representatives to attend, participate at the AGM through VC / OAVM and cast their votes through e-voting. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutinizer at info@bmpandco.com and to evoting@nsdl.com.

d) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

e) In accordance with the circulars issued by MCA and SEBI, the Notice of the 14th AGM along with the Integrated Annual Report for the financial year 2025-26 is being sent by electronic mode to Members whose e-mail ids are registered with the Company / Registrar & Share Transfer Agent (RTA) or the Depository Participants (DPs).

Additionally, providing the weblink of Company's website from where the Integrated Annual Report for financial year 2025-26 can be accessed https://www.capillarytech.com/investors/finances-and-reports/annual-reports/.

f) Members of the Company, whose names appear in the register of members / list of beneficial owners as on Friday, August 21, 2026 ("Cut-off date") are entitled for e-Voting on resolutions set forth in this Notice. Any holder of shares in physical form, or any individual or non-individual member, who acquires shares and becomes a member of the Company after dispatch of this Notice and holds shares as on the Cut-off date, may cast vote by following the process provided in this Notice for Remote e-voting and Voting at the AGM.

g) Members can join the AGM through VC/ OAVM mode 30 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on a first come first served basis. Large shareholders (shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first come first served basis.

h) Members are advised to update their PAN, KYC (Address, E-mail ID, Mobile Number, Bank Account Details, Specimen Signature, etc.) and Nomination details, as per SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025:

Members holding shares in physical form: to the Company's RTA - MUFG Intime India Private Limited, in prescribed Form ISR - 1 and other forms as per instructions mentioned in the form. The formats can be downloaded from RTA's website at https://web.in.mpms.mufg.com/KYC-downloads. html and such formats are also available on the Company's website at https://www.Capillarytech.com.

Members holding shares in dematerialized form: to their respective DPs as per the procedure prescribed by them.

i) As per Listing Regulations, physical copy of the Annual Report is required to be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Integrated Annual Report for the financial year 2025-26, may write to the Company at secretarial@capillarytech.com, requesting for the same by providing their holding details.

j) The Notice of the 14th AGM along with Integrated Annual Report for the financial year 2025-26, is available on the website of the Company at https://www.capillarytech.com/investors/finances-and-reports/annual-reports/, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

k) Additional information pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at the AGM, forms part of this Notice and annexed as an **Annexure – A**.

l) During the AGM, the following documents shall be available for inspection upon login at NSDL e-Voting page at https://www.evoting.nsdl.com/:

- Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act;
- Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act;
- Certificate from Secretarial Auditors of the Company certifying that ESOP Schemes of the Company are being implemented in accordance with the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

m) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations and applicable Circulars, the Company is pleased to provide to its Members, the facility to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with NSDL, as the authorised agency for facilitating voting through electronic means. The facility of casting votes by Members using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

n) The Company has appointed CS Biswajit Ghosh or failing him CS Pramod S.M, Partners of M/s BMP & Co. LLP, Practicing Company Secretary firm, Bengaluru, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

o) **Remote E-voting – Key dates:**

Cut-off Date determining the Members who are entitled to vote on the resolutions set forth in this Notice	August 21, 2026
Start Date and Time	Monday, August 24, 2026, 09:00 AM (IST)
End Date and Time	Thursday, August 27, 2026, 05:00 PM (IST)

p) The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date. A person who is not a Member as on the Cut-off date should treat this Notice of AGM for information purpose only.

q) The facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the AGM.

r) The results of the e-voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be available on the website of the Company at https://www.capillarytech.com/investors/shareholder-information/corporate-announcements/

s) **Speaker Registration** - Procedure to raise questions or seek clarifications with respect to Annual Report:

Members who would like to express their views or ask questions may register themselves as a speaker by sending the request along with their queries in advance mentioning their name, demat account number / folio number, e-mail id and mobile number at secretarial@capillarytech.com. Only those speaker registration requests received till 05:00 P.M. (IST) on Tuesday, August 25, 2026 shall be considered and allowed as speakers during the AGM.

The Company reserves the right to restrict the number of questions and speakers, as appropriate for smooth conduct of the AGM.

t) **Instructions on E Voting:**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

Type of shareholders	Login Method
	2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pramod@bmpandco.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Falguni Chakraborty at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@capillarytech.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@capillarytech.com . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@capillarytech.com. The same will be replied by the company suitably.

By order of the Board of Directors
For **Capillary Technologies India Limited**

Sd/-
Bhargavi Reddy Gireddy
Company Secretary and Compliance Officer
M. No- A17091
Registered Office: 360, bearing PID No: 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka- 560102

Date: May 29, 2026
Place: Bengaluru

Annexure – A

Details of the director retiring by rotation and seeking re-appointment at the meeting

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Name	Aneesh Reddy Boddu
DIN	02214511
Date of Birth	October 04, 1984; 42 years
Date of First Appointment on the Board	February 21, 2013
Qualifications	B.Tech Manufacturing Science and Engineering, IIT Kharagpur.
Relationship between Directors inter-se	Nil
Brief Resume, Experience and expertise in specific functional areas	Aneesh Reddy is the Founder, Managing Director and Chief Executive Officer at Capillary. He holds a bachelor's degree in manufacturing science and engineering from the Indian Institute of Technology, Kharagpur. At the Indian Institute of Technology, Kharagpur, he co-founded the 'Entrepreneurship Cell' and was awarded the 'Distinguished Alumnus Award' by the institute in 2017. In 2014, he was recognized by Fortune India magazine as one of the '40 under 40 - India's Brightest Young Business Minds' followed by another recognition by The Economic Times under the 'ET 40 under Forty' list in 2017. He was previously associated with ITC Limited. His expertise include : Extensive management experience, Functional, Technical and leadership experience, Operations, Information Technology, Sales, Marketing personal values, Board & Corporate Governance and Business Strategy
Directorships held in other Public Companies (excluding Foreign Companies)	Nil
Names of listed entities from which the director has resigned in the past three years	Nil
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee	Nil
Shareholding in Capillary Technologies India Limited as on March 31, 2026	17,33,380 (2.18%)
No. of Board Meetings attended during the financial year 2025-26	Twelve (12)
Terms and conditions of appointment / reappointment	In terms of Section 152(6) of the Act, he is a Managing Director and CEO of the Company, liable to retire by
Remuneration last drawn in financial year 2025-26.	**Refer Corporate Governance Report FY26 for remuneration details**
Details of Remuneration sought to be paid	

By order of the Board of Directors
For **Capillary Technologies India Limited**

Sd/-
Bhargavi Reddy Gireddy
Company Secretary and Compliance Officer
M. No- A17091
Registered Office: 360, bearing PID No: 101, 360, 15th Cross Rd,
Sector 4, HSR Layout, Bengaluru, Karnataka- 560102

Date: May 29, 2026
Place: Bengaluru

Notes

capillary

www.capillarytech.com