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DRAFT RED HERRING PROSPECTUS
Dated June 18, 2025
(Please read Section 32 of the Companies Act, 2013)
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

CAPILLARY TECHNOLOGIES INDIA LIMITED

CORPORATE IDENTITY NUMBER: U72200KA2012PLC063060

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
#360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru 560 102, Karnataka, India	Gireddy Bhargavi Reddy, Company Secretary and Compliance Officer	**Tel**: +91 80 4122 5179 **Email:** investorrelations@capillarytech.com	www.capillarytech.com

PROMOTERS OF OUR COMPANY: CAPILLARY TECHNOLOGIES INTERNATIONAL PTE. LTD. AND ANEESH REDDY BODDU

DETAILS OF THE OFFER

Type	Fresh Issue size^	Offer for Sale size	Total Offer size^	Eligibility and Share Reservation among QIBs, NIIs, RIIs and Eligible Employees
Fresh Issue and an Offer for Sale	Fresh issue of up to [●] equity shares of face value ₹2 each aggregating up to ₹4,300.00 million	Offer for sale of up to 18,331,386 equity shares of face value ₹2 each aggregating up to ₹[●] million	Up to [●] equity shares of face value ₹2 each aggregating up to ₹[●] million	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations, as our Company did not fulfil the requirements under Regulation 6(1)(a) and Regulation 6(1)(b) of the SEBI ICDR Regulations of having net tangible assets of at least ₹30.00 million, in each of the preceding three financial years and an average operating profit of at least ₹150.00 million, with operating profit in each of these years. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 488. For details in relation to share allocation and reservation among Qualified Institutional Bidders, Non-Institutional Investors, Retail Individual Investors and Eligible Employees, see "*Offer Structure*" on page 512.

DETAILS OF OFFER FOR SALE

Name of Selling Shareholder	Type	Number of equity shares of face value ₹2 each offered/ amount (₹ in million)	Weighted average cost of acquisition per equity shares of face value ₹2 each (in ₹)*
Capillary Technologies International Pte. Ltd.	Promoter Selling Shareholder	Up to 14,211,104 equity shares of face value ₹2 each aggregating up to ₹ [●] million	34.75
Ronal Holdings LLC	Investor Selling Shareholder	Up to 1,466,583 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.00
Trudy Holdings	Investor Selling Shareholder	Up to 1,833,228 equity shares of face value ₹2 each aggregating up to ₹[●] million	319.33
Filter Capital India Fund I	Investor Selling Shareholder	Up to 759,938 equity shares of face value ₹2 each aggregating up to ₹[●] million	369.67
Sripathi Venkata Ramana Reddy	Individual Selling Shareholder	Up to 10,800 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.18
Harminder Sahni	Individual Selling Shareholder	Up to 24,349 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.23
Adarsh Reddy B	Individual Selling Shareholder	Up to 10,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.18
Sudhakar Reddy Katanguri	Individual Selling Shareholder	Up to 8,384 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.21
Sripathi Damodar Reddy	Individual Selling Shareholder	Up to 3,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.20
Manjunath Nanjaiah	Individual Selling Shareholder	Up to 4,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	308.20

**As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of equity shares is ₹2 each. The Floor Price, the Cap Price and the Offer Price (as determined by our Company, in consultation with the BRLMs), on the basis of the assessment of market demand for the equity shares by way of the book building process, as stated in "*Basis* *for Offer Price*” on page 169, should not be considered to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active and/or sustained trading in the equity shares or regarding the price at which the equity shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The equity shares have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 39.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirms only the statements specifically made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertain to it and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to our Company or its business or any other Selling Shareholders or any other person, in this Draft Red Herring Prospectus.

LISTING

The equity shares of face value ₹2 each, offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited (“**NSE**”) and BSE Limited (“**BSE**” and together with NSE, the “**Stock Exchanges**”). For the purposes of the Offer, [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Name of the BRLMs and Logo		Contact Person(s)	Email and Telephone
JM Financial Limited	JM FINANCIAL	Prachee Dhuri	**E-mail**: capillary.ipo@jmfl.com **Tel.:** +9122 6630 3030
IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	IIFL CAPITAL	Dhruv Bhavsar/ Pawan Kumar Jain	**E-mail**: capillary.ipo@iiflcap.com **Tel.:** +9122 4646 4728
Nomura Financial Advisory and Securities (India) Private Limited	NOMURA	Vishal Kanjani / Kshitij Thakur	**E-mail**: capillaryipo@nomura.com **Tel.:** +9122 4037 4037

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Email and Telephone
MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)	Shanti Gopalkrishnan	**E-mail**: capillarytechnologies.ipo@in.mpms.mufg.com **Tel.:** +91 810 811 4949

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE	[●]*	BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSES ON#	[●]**

*****Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

*** Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

 # UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

^ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

DRAFT RED HERRING PROSPECTUS
Dated: June 18, 2025
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

CAPILLARY TECHNOLOGIES INDIA LIMITED

Our Company was originally incorporated on March 15, 2012 as a private limited company under the Companies Act 1956, with the name "Kharagpur Technologies Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, Karnataka ("**RoC**"). The name of our Company was subsequently changed to "Capillary Technologies India Private Limited" pursuant to a special resolution passed by our Shareholders at the extra-ordinary general meeting of our Company held on June 15, 2012, and a fresh certificate of incorporation was issued by the RoC on July 26, 2012. Upon the conversion of our Company to a public limited company, pursuant to a special resolution passed by our Shareholders at the extra-ordinary general meeting of our Company held on November 9, 2021 the name of our Company was changed to "Capillary Technologies India Limited" and the RoC issued a fresh certificate of incorporation dated November 23, 2021. For details of changes in the Registered and Corporate Office of our Company, see "***History and Certain Corporate Matters - Changes in the Registered and Corporate Office***" on page 306.

Corporate Identity Number: U72200KA2012PLC063060
Registered and Corporate Office: #360 bearing PID No 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru 560 102, Karnataka, India; **Tel:** +91 80 4122 5179
Contact Person: Gireddy Bhargavi Reddy, Company Secretary and Compliance Officer; **E-mail**: investorrelations@capillarytech.com; **Website:** www.capillarytech.com

OUR PROMOTERS: CAPILLARY TECHNOLOGIES INTERNATIONAL PTE. LTD. AND ANEESH REDDY BODDU

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹2 EACH ("EQUITY SHARES") OF CAPILLARY TECHNOLOGIES INDIA LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO [●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹2 EACH BY OUR COMPANY AGGREGATING UP TO ₹4,300.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 18,331,386 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION, BY THE SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) ("OFFER FOR SALE") . THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹2 EACH (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WOULD CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹[●] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

A PRIVATE PLACEMENT, RIGHTS ISSUE, PREFERENTIAL OFFER OR ANY OTHER METHOD OF SPECIFIED SECURITIES AS MAY BE PERMITTED UNDER APPLICABLE LAWS, MAY BE UNDERTAKEN BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS, TO ANY PERSON, FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹860.00 MILLION ("PRE-IPO PLACEMENT"). THE PRE – IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES OF FACE VALUE ₹2 EACH ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND PROSPECTUS.

THE FACE VALUE OF EQUITY SHARES IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, THE MINIMUM BID LOT AND THE EMPLOYEE DISCOUNT, IF ANY, WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], WIDELY CIRCULATED KANNADA DAILY NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OFKARNATAKA, WHERE THE REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FACE VALUE OF THE EQUITY SHARES IS ₹2 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations (the "**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, (a) not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors (out of which one third shall be reserved for Bidders with Bids exceeding ₹0.20 million and up to ₹1.00 million and two-thirds shall be reserved for Bidders with Bids exceeding ₹1.00 million), provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category and (b) not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (as defined hereinafter), as applicable, pursuant to which the corresponding Bid Amount, which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see *"Offer Procedure*" beginning on page 517.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the equity shares of face value ₹2 each of our Company. The face value of the equity shares is ₹2. The Floor Price, Cap Price and Offer Price as determined and justified by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, as stated under "*Basis for Offer Price*" on page 169 should not be considered to be indicative of the market price of the equity shares of face value ₹2 each after the equity shares of face value ₹2 each are listed. No assurance can be given regarding an active and/or sustained trading in the equity shares of face value ₹2 each nor regarding the price at which the equity shares of face value ₹2 each will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The equity shares of face value ₹2 each in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 39.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirms only the statements specifically made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertain to it and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to our Company or its business or any other Selling Shareholders or any other person, in this Draft Red Herring Prospectus.

LISTING

The equity shares of face value ₹2 each to be Allotted through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the equity shares of face value ₹2 each pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 567.

BOOK RUNNING LEAD MANAGERS TO THE OFFER			REGISTRAR TO THE OFFER
JM FINANCIAL	IIFL CAPITAL	NOMURA	MUFG MUFG Intime
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +9122 6630 3030 **E-mail**: capillary.ipo@jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact person:** Prachee Dhuri **SEBI Registration No.:** INM000010361	**IIFL Capital Services Limited** (*formerly known as IIFL Securities Limited*) 24th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India **Tel.**: +9122 4646 4728 **E-mail**: capillary.ipo@iiflcap.com **Investor Grievance E-mail**: ig.ib@iiflcap.com **Website**: www.iiflcap.com **Contact person**: Dhruv Bhavsar/ Pawan Kumar Jain **SEBI Registration No.**: INM000010940	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India **Tel.**: +9122 4037 4037 **E-mail**: capillaryipo@nomura.com **Investor Grievance E-mail**: investorgrievances in@nomura.com **Website**: http://www.nomuraholdings.com/company/group/asia/india/index.html **Contact person**: Vishal Kanjani / Kshitij Thakur **SEBI Registration No.**: INM000011419	**MUFG Intime India Private Limited** (*Formerly Link Intime India Private Limited*) C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** +91 810 811 4949 **E-mail:** capillarytechnologies.ipo@in.mpms.mufg.com **Investor Grievance E-mail:** capillarytechnologies.ipo@in.mpms.mufg.com **Website:** https://in.mpms.mufg.com/ **Contact person:** Shanti Gopalkrishnan **SEBI Registration No:** INR000004058

BID/ OFFER SCHEDULE

ANCHOR INVESTOR BIDDING PERIOD	[●]*	BID/ OFFER OPENS ON	[●]*	BID/ OFFER CLOSES ON#	[●]**

**Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
 # UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies or articles of association or memorandum of association shall be to such legislation, act, regulation, rules, guidelines or policies or articles of association or memorandum of association as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the SCRR, the Depositories Act and the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document, (as defined hereinafter) In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, the terms used in "Objects of the Offer", "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 149, 209, 294, 186, 360, 169, 306, 467, 487, 423, 471, and 540, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
our Company / the Company / the Issuer	Capillary Technologies India Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at #360, bearing PID No.101/360, 15th Cross Rd., Sector 4, HSR Layout, Bengaluru 560 102, Karnataka, India
we / us / our	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, as at and during the relevant Financial Year, as applicable

Company Related Terms

Term	Description
Acquisition Agreement	Acquisition agreement dated September 1, 2021, entered into between Persuade Loyalty, LLC., Persuade Holdings, Inc., CTIPL, CPL & Ors.
Articles of Association/ Articles/AoA	The articles of association of our Company, as amended
Asset Purchase Agreement 1	Asset Purchase Agreement dated March 31, 2025, between CTL and Kognitiv US LLC
Asset Purchase Agreement 2	Asset Purchase Agreement dated May 4, 2023, between Tenerity LLC and CPL
Assignment Deed	Deed of assignment dated November 20, 2021 entered into between CTIPL and CPL
Audit Committee	The audit committee of our Board, as described in *"Our Management"* on page 328
Auditors/Statutory Auditors	The current statutory auditors of our Company, being Walker Chandiok & Co LLP
Board/Board of Directors	The board of directors of our Company, or a duly constituted committee thereof, as described in "*Our Management*" on page 328
Business Transfer/BTA	The business and loan transfer agreement dated November 1, 2021, along with the deed of amendment dated December 21, 2021, entered into between CTIPL and CPL
Capillary Brierley	Capillary Brierley Inc. *(formerly known as 'Brierley & Partners, Inc.)*
Capillary Dubai	Capillary Technologies DMCC
Capillary Europe	Capillary Technologies Europe Limited *(formerly known as 'Brierley Europe Limited)*
Capillary Indonesia	PT Capillary Technologies Indonesia
Capillary Malaysia	Capillary Technologies (Malaysia) Sdn. Bhd.
Capillary Shanghai	Capillary Technologies (Shanghai) Co. Ltd.

Term	Description
Capillary USA	Capillary Technologies, Inc, USA
CCDs	0.001% compulsorily convertible debentures of our Company of face value ₹ 2 each
CCPS	0.01% compulsorily convertible cumulative preference shares of our Company of face value ₹10 each
Chairperson and Independent Director	The chairperson and independent director of our Company, being Neelam Dhawan. For details, see "*Our Management – Our Board*" on page 328.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Gireddy Bhargavi Reddy. For details, see "*Our Management – Key Managerial Personnel and members of Senior Management*" on page 348.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in *"Our Management"* on page 328.
CPL	Capillary Pte. Ltd.
CPL Assignment Deed	Deed of Assignment dated February 28, 2023 entered into between our Company and CPL
CTIPL	Capillary Technologies International Pte. Ltd.
CTL	Capillary Technologies LLC *(formerly known as 'Persuade Loyalty LLC)*
Director(s)	The director(s) on our Board, as described in *"Our Management"* on page 328
Equity Shares	The equity shares of our Company of face value ₹2 each
ESOP 2021	Capillary Employee Stock Option Scheme – 2021
Executive Director	Executive directors on our Board, as described in *"Our Management"* on page 328
Founder	The founder of our Company, being Aneesh Reddy Boddu.
Gift Deed China	Deed of gift dated November 30, 2021, entered by CTIPL in favour of CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary China.
Gift Deed Dubai	Deed of gift dated November 30, 2021, entered into by CTIPL in favour of CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary Dubai.
Gift Deed Indonesia	Deed of gift dated November 30, 2021, entered into between CTIPL and CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary Indonesia.
Gift Deed Malaysia	Deed of gift dated November 22, 2021, entered into between CTIPL and CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary Malaysia.
Group Company	In terms of Regulation 2(1)(t) of SEBI ICDR Regulations, the term "group companies" includes such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in "*Our Group Company*" on page 485
Holding Company/ Promoter Selling Shareholder	CTIPL
Independent Director(s)	Independent director(s) on our Board, as described in "*Our Management*" on page 328
Individual Selling Shareholder(s)	Adarsh Reddy B, Harminder Sahni, Manjunath Nanjaiah, Sripathi Damodar Reddy, Sripathi Venkata Ramana Reddy and Sudhakar Reddy Katanguri
Investor Selling Shareholder(s)	Filter Capital India Fund I, Ronal Holdings LLC and Trudy Holdings
IPO Committee	The IPO committee of our Board, as described in "*Our Management*" on page 328
KMP/Key Managerial Personnel	Key managerial personnel of our Company identified in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "*Our Management*" on page 328
Kognitiv Solutions	Kognitiv Solutions Inc
Loyalty Solutions	Loyalty Solutions Holdings US Inc.
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, being Aneesh Reddy Boddu.
Material Subsidiary/ Material Subsidiaries	CPL, Capillary Europe, Capillary Brierley and CTL
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in *"Our Management"* on page 328
Non-Executive Director(s)	Non-executive director(s) on our Board, as described in *"Our Management"* on page 328
Promoter(s)	Our promoters namely CTIPL and Aneesh Reddy Boddu
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group*" beginning on page 353

Term	Description
Purchase and Sale Agreement	Purchase and Sale Agreement dated March 31, 2025 entered into between Loyalty Solutions Holdings US Inc. and CTL
Registered and Corporate Office / Registered Office	The registered and corporate office of our Company, situated at #360, bearing PID No.101/360, 15th Cross Rd., Sector 4, HSR Layout, Bengaluru 560 102, Karnataka, India
Restated Consolidated Financial Information	Our restated consolidated statements of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023 and the restated consolidated statements of profit and loss (including other comprehensive income), restated consolidated statement of changes in equity, restated consolidated cash flow statement for the financial years ended March, 31, 2025, March, 31, 2024 and March 31, 2023 the Summary Statement of Material Accounting Policies, and other explanatory information, as approved by the Board at their meeting held on May 7, 2025 for the purpose of inclusion in this DRHP prepared by the Company in connection with its proposed initial public offer and prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter Ill of the Companies Act, 2013; (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
Revenue (net of campaign costs)	Revenue (net of campaign costs) is computed as the revenue from campaign services less cost of campaign services
Risk Management Committee	The risk management committee of our Board, as described in *"Our Management"* on page 328
RoC/Registrar of Companies	Registrar of Companies, Karnataka at Bangalore
Selling Shareholder(s)	Collectively, the Promoter Selling Shareholder, the Individual Selling Shareholders and the Investor Selling Shareholders
Senior Management/ Senior Management Personnel/SMP	Senior management of our Company in terms of Regulation 2(1)(bbb) of the SEBI ICDR Regulations and as described in "*Our Management– Key Managerial Personnel and Senior Management – Senior Management*" on page 348
Shareholders	The holders of the Equity Shares from time to time
Share Purchase Agreement	Share purchase agreement dated March 31, 2023, entered into between CPL and Brierley & Partners, Inc.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in *"Our Management"* on page 328
Stock Purchase Agreement	Stock purchase agreement dated March 30, 2023, entered into between Nomura Research Institute Holdings America, Inc., Brierley & Partners, Inc. and CTL
Stock Purchase Agreement 2	Secondary Stock Purchase Agreement dated June 22, 2023 entered into between CTIPL and CTL
CPL Subscription Agreement	Subscription agreement between our Company and CPL dated August 30, 2021.
Subsidiaries	The subsidiaries of our Company as on March 31, 2025, namely, Capillary USA, Capillary Dubai, Capillary Malaysia, Capillary Indonesia, CPL, CTL, Capillary Shanghai, Capillary Europe, and Capillary Brierley as disclosed in "*History and Certain Corporate Matters – Our Subsidiaries*" on page 316. Subsequently, Kognitiv Solutions became our Subsidiary on May 1, 2025. For the purpose of the financial information in this Draft Red Herring prospectus, the term Subsidiaries shall include subsidiaries as at and during the relevant fiscal/period as applicable.
Whole-time Director, Chief Financial Officer and Chief Operating Officer	The executive director (whole-time director), chief financial officer and chief operating officer of our Company, being Anant Choubey.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange

Term	Description
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Bid/Offer Period	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Anchor Investor Offer Price. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount / ASBA	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	Bank account maintained with a SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" beginning on page 512
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder, in the case of Retail Individual Investors Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RII and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be Cap Price (net of the Employee Discount), multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only

Term	Description
	in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount)
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] equity shares of face value ₹2 each and in multiples of [●] equity shares of face value ₹2 each thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation. Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date will be published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	JM Financial, IIFL, and Nomura
Broker Centers	Centers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revision thereof. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof in accordance with the UPI circulars
Client ID	Client identification number maintained with one of the Depositories in relation to demat account

Term	Description
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, the SEBI RTA Master Circular and the UPI Circulars issued by SEBI and the Stock Exchanges as per the list available on the respective websites of the Stock Exchanges, as updated from time to time in accordance with the UPI circulars
Cut-off Price	The Offer Price, finalised by our Company, in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Investors and Eligible Employees are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) by authorizing an SCSB to block the Bid Amount in the ASBA Account and HNIs, bidding with an application size of up to ₹0.50 million (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, as the case may be, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Investors (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated June 18, 2025 filed with SEBI and the Stock Exchanges, in accordance with Chapter II of the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company; or a Director of our Company, (excluding such Directors who are not eligible to invest in the Offer under applicable laws) whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with

Term	Description
	the RoC and who continues to be a permanent employee of our Company until the date of submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹0.50 million (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of the Employee Discount)
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] equity shares of face value ₹2 each, aggregating ₹[●] which shall not exceed [●]% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis.
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder/Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [●] equity shares of face value ₹2 each aggregating up to ₹4,300.00 million by our Company. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company

Term	Description
IIFL	IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)
JM Financial	JM Financial Limited
Materiality Policy	The materiality policy of our Company adopted by our Board dated April 20, 2025 for (a) identification of material litigation; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	Up to 5% of the Net QIB Portion, or [●] equity shares of face value ₹2 each which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 149
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Investors / NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer, being not more than 15% of the Net Offer or [●] equity shares of face value ₹2 each, which shall be available for allocation to Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which (i) one third shall be reserved for Bidders with Bids exceeding ₹0.20 million up to ₹1.00 million; and (ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹1.00 million Provided that the unsubscribed portion in either of the sub-categories specified in (i) or (ii) above, may be allocated to applicants in the other sub-category of Non-Institutional Investors, in accordance with the SEBI ICDR Regulations.
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offer of up to [●] equity shares of face value ₹2 each for cash at a price of ₹[●] each aggregating up to ₹[●] million, consisting of: – Fresh Issue of up to [●] equity shares of face value ₹2 each aggregating up to ₹4,300.00 million; and – Offer for Sale of up to 18,331,386 equity shares of face value ₹2 each aggregating up to ₹[●] million by the Selling Shareholders. A Pre-IPO Placement of specified securities may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹860.00 million. The Pre – IPO Placement, if undertaken (i) will be at a price to be decided by our Company, in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC; (ii) the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR; (iii) shall not exceed 20% of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus. The Offer comprises of the Net Offer and Employee Reservation Portion
Offer Agreement	Agreement dated June 18, 2025 entered amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 18,331,386 equity shares of face value ₹2 each aggregating up to ₹[●] million by the Selling Shareholders in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus.

Term	Description
	The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus A discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company, in consultation with the BRLMs.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 149
Offered Shares	Up to 18,331,386 equity shares of face value ₹2 each aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer for Sale
Pre-IPO Placement	A private placement, rights issue, preferential offer or any other method of specified securities as may be permitted under applicable laws, may be undertaken by our Company, in consultation with the BRLMs, to any person, for an aggregate amount not exceeding ₹860.00 million. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.
Price Band	Price band of a minimum price of ₹[●] per equity shares of face value ₹2 each (Floor Price) and the maximum price of ₹[●] per equity shares of face value ₹2 each (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company, in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI under the SEBI BTI Regulations as a banker to an issue and with which the Public Offer Account will be opened, for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date in this case being [●]
QIB Portion	The portion of the Net Offer, being not less than 75% of the Net Offer or [●] equity shares of face value ₹2 each to be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers / QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus / RHP	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the

Term	Description
	Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of SEBI ICDR Master Circular and UPI Circulars issued by SEBI
Registrar Agreement	Agreement dated June 18, 2025 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, SEBI RTA Master Circular issued by SEBI as per the list available on the websites of the Stock Exchanges, and the UPI Circulars
Registrar to the Offer / Registrar	MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investor(s)/RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Net Offer, being not more than 10% of the Net Offer or [●] equity shares of face value ₹2 each each aggregating up to ₹[●] million, available for allocation to Retail Individual Investors subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SCORES	Securities Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI.
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facilities (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be prescribed by SEBI and updated from time to time
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit

Term	Description
	of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form and on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	[●] and [●], being the Banker(s) to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Merchant bankers or stockbrokers (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Underwriters prior to the filing of the Red Herring Prospectus or Prospectus with the RoC and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	Collectively, individual Bidders applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Eligible Employee Bidding in Employee Reservation Portion; and (iii) Non- Institutional Bidders with an application size of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹0.50 million shall use UPI and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The RTA Master Circular (to the extent it pertains to UPI), SEBI ICDR Master Circular, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI, Stock Exchanges or any other governmental authority in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. Such request shall be accepted by UPI Bidders at or before 5.00 pm on Bid/Offer Closing Date.
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares

Term	Description
	on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI
Zinnov	Zinnov Management Consulting Private Limited
Zinnov Report	The industry report titled "*Customer Loyalty and Engagement Software Market Overview*" dated June 2025 which is exclusively prepared for the purpose of the Offer and issued by Zinnov and is commissioned and paid for by our Company. This report will be available on the website of our Company at https://www.capillarytech.com/investors/ until the Bid / Offer Closing Date

Technical/Industry Related Terms/Abbreviations

Term	Description
AI	Artificial Intelligence
aiRA	Artificial Intelligence - powered Research Assistant
ABM	Account-Based Marketing
ANA	Association of National Advertisers
AOV	Average Order Value
APAC	Asia-Pacific
API	Application Programming Interface
APM	Application Performance Monitoring
AR	Augment Reality
B2B	Business-to-Business
BI	Business Intelligence
BFSI	Banking, Financial Services, and Insurance
BOPIS	Buy Online, Pick-Up In-Store
BPL	Below Poverty Line
B+P	Brierley and Partners, Inc. (renamed as Capillary Brierley Inc.)
CAGR	Compound Annual Growth Rate
CDO	Chief Digital Officer
CAC	Customer Acquisition Cost. It is computed as is computed sales and marketing spends plus / (minus) the loss / (profit) earned on installation income.
CDP	Customer Data Platform
CIO	Chief Information Officer
CPG	Consumer Packaged Goods
CRM	Customer Relationship Management
CLTV	Customer Lifetime Value
CX	Customer Experience
CXO	Chief Experience Officer
DB	Database
ECO-SaaS	E-commerce Software-as-a-Service
Enterprise Customers	Customers contributing more than ₹ 8.00 million in revenue from operations in a Fiscal
ERP	Enterprise Resource Planning
EU	European Union
EV	Electric Vehicles
EV/R	Enterprise Value-to-Revenue
Farming	Incremental ARR derived from existing customers by way of additional brands, geographic coverage and incremental product offerings
GenAI	Generative Artificial Intelligence
IoT	Internet of Things
ISO	International Organisation for Standardisation
ISV	Independent Software Vendor
IT	Information Technology
LTV	Lifetime Value
LPG	Liquefied Petroleum Gas
M&A	Mergers and Acquisitions
Martech	Marketing Technology
MDM	Mobile Device Management
ML	Machine Learning
MLP	Multi Loyalty Program
NA	North America
NPISH	Non-Profit Institutions Serving Households
NPS	Net Promoter Score
PCI DSS	Payment Card Industry Data Security Standard

Term	Description
Persuade Group	Persuade Loyalty, LLC (renamed to Capillary Technologies LLC) and Persuade Holdings, Inc. (which was since wound-up on June 2, 2023) together Persuade Group
POS	Point of Sale
QR Code	Quick Response Code
QSR	Quick Service Restaurants
Rewards+ Acquisition	Acquisition of assets of Digital Connect business acquired from Tenerity LLC in June 2023, which was subsequently utilised to develop a new product named *Rewards+*
RFM	Recency, Frequency and Monetary
RoI	Return on Investment
RPS	Retail Payment System
SaaS	Software-as-a-Solution
SAM	Serviceable Addressable Market
SMB	Small and Medium Business
SME	Small and Medium Enterprise
SMS	Short Message Service
SOC2	A voluntary compliance standard for service organisations, developed by the American Institute of Certified Public Accountant which specifies how organisations should manage customer data
TAM	Total Addressable Market
VC	Venture Capitalist
VR	Virtual Reality

Conventional and General Terms and Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting
AIFs	Alternative Investments Funds as defined in, and registered under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Calendar Year/CY	Unless the context otherwise requires, shall mean the 12 months period ending December 31
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
CSR	Corporate social responsibility
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP/ Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder

Term	Description
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FRN	Firm registration number
FVCI(s)	Foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investor) Regulations, 2009
GDP	Gross domestic product
Gazette	Gazette of India
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
Ind AS / Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
KPIs	Key performance indicators
LLP	Limited liability partnership
MCA	Ministry of Corporate Affairs
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
NA	Not applicable
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NBFC-SI	Systemically important non-banking financial company
NACH	National Automated Clearing House
NAV / Net Asset Value	Net asset value
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India as defined under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FUTP Regulations	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended

Term	Description
SEBI ICDR Master Circular	SEBI master circular no. SEBI/HO/CFD/POD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
TAN	Tax deduction account number
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999, as amended
UAE	United Arab Emirates
U.S. / USA /United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
U.S. Securities Act	United States Securities Act of 1933, as amended
USD / US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

Key Performance Indicators

Term	Description
Revenue from operations	Revenue from operations as disclosed in our Restated Financial Statements
Net Revenue	Net Revenue is computed as Revenue from operations less cost of campaign services
Net Revenue Growth	Net Revenue growth (%) is calculated as a percentage of Net Revenue of the relevant year minus Net Revenue of the preceding year, divided by Net Revenue of the preceding period/ year.
Subscription Revenue	Subscription Revenue refers to Revenue from retainership and other services as disclosed in our Restated Financial Statements
Subscription Revenue (% of Revenue from operations)	Revenue from retainership and other services as disclosed in our Restated Financial Statements as a % of Revenue from operations
Other Services Revenue	Other Services Revenue refers to the sum of Installation revenue (as disclosed in our Restated Financial Statements and Revenue (net of campaign service cost). Revenue (net of campaign service cost) is computed as Revenue from campaign services minus cost of campaign services
Geographical Revenue Split	Geographical Revenue Split refers to the break-up of Revenue from operations by the region where the revenue was generated, as follows: - North America - EMEA - Asia-Pacific
Subscription Gross Margin	Subscription Gross Margin (%) is computed as Subscription Revenue or Revenue from retainership and other services minus server hosting costs, software subscription costs and customer support costs divided by Subscription Revenue or Revenue from retainership and other services
Earnings Before Interest expense, Taxes, Depreciation and Amortization before exceptional item ("**EBITDA**")	Refers to earnings before interest expense, taxes, depreciation and amortisation before exceptional items as disclosed in our Restated Financial Statements
EBITDA Margin	EBITDA Margin (%) is computed as percentage of EBITDA divided by Revenue from operations for the respective Fiscal
EBITDA Margin (Net Revenue)	EBITDA Margin (Net Revenue) (%) is computed as percentage of EBITDA divided by Net Revenue for the respective Fiscal. Net Revenue is computed as Revenue from operations less cost of campaign services
Adjusted EBITDA	Adjusted EBITDA is computed as EBITDA as per restated financial statements plus employee stock option expenses minus Interest income on bank deposits, Interest income

Term	Description
	on security deposits, Interest income on corporate deposits, Gain on fair valuation of investments carried at fair value through profit and loss, Profit on sale of investments, Profit on sale of property, plant and equipment (net), Interest income on income tax refund
Adjusted EBITDA Margin	Adjusted EBITDA Margin (%) is computed as percentage of Adjusted EBITDA divided by Revenue from operations for the respective Fiscal
Adjusted EBITDA Margin (Net Revenue)	Adjusted EBITDA Margin (Net Revenue) (%) is computed as percentage of Adjusted EBITDA divided by Net Revenue for the respective Fiscal
Customer Acquisition Cost ("**CAC**") as a % of Net Revenue	Customer Acquisition Cost ("**CAC**") as a % of Net Revenue is computed as Sales and marketing spends plus / (minus) the loss / (profit) earned on installation income divided by Net Revenue multiplied by 100 for the respective Fiscal
Net Revenue Retention ("**NRR**") Rate	Net Revenue Retention ("**NRR**") Rate % is computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by Net Revenue generated from the same customers in the previous Fiscal multiplied by 100.
Fortune 500 Clients	Number of Brands/Clients in the Forbes' Fortune 500 list as at the end of the Fiscal
New Annual Contract Value ("**New ACV**")	New Annual Contract Value ("**New ACV**") is computed as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services.
Payback Period	Payback Period is computed as CAC divided by the result of New ACV multiplied by Subscription Gross Margin earned during the respective Fiscal / year. The overall result then is represented in number of months by multiplying the same by twelve.
Annual Recurring Revenue ("**ARR**")	Aggregate of all Net Revenue from the most recent quarter multiplied by 4. Annual Recurring Revenues refers to the active recurring contract values over a 12-month period
Profit/(Loss) after Tax from Continuing Operations ("**PAT**")	Profit/(Loss) after Tax from Continuing Operations ("**PAT**") refers to Restated profit/ (loss) for the year from continuing operations as disclosed in our Restated Financial Statements
Profit/(Loss) after Tax from Continuing Operations Margin ("**PAT Margin**")	PAT Margin (%) is computed as percentage of Restated profit/ (loss) for the year from continuing operations divided by Revenue from operations
Profit/(Loss) after Tax from Continuing Operations Margin as % of Net Revenue	Computed as percentage of Restated profit/ (loss) for the year from continuing operations divided by Net Revenue
Profit/(loss) before tax ("**PBT**")	Profit/(loss) before tax ("**PBT**") refers to Restated profit/ (loss) before tax as disclosed in our Restated Financial Statements
Profit/(loss) before tax Margin ("**PBT Margin**")	PBT Margin (%) is computed as percentage of Restated profit/ (loss) before tax divided by Revenue from operations
Profit/(loss) before tax Margin (Net Revenue)	Profit/(loss) before tax Margin (Net Revenue) (%) is computed as percentage of Restated profit/ (loss) before tax divided by Net Revenue
Consumers on platform	Consumers on platform refers to number of consumers on our platform with a unique mobile number or personal identifiable information on the platform as at the end of the Fiscal
Transactions processed	Transactions processed refers to the number of invoices or transactions that have been processed by our platform for our customers in a Fiscal

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, together with its territories and possessions. All references herein to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America, together with its territories and possessions. All references in this Draft Red Herring Prospectus to "UK" are to the United Kingdom and its territories and possessions.

All references in this Draft Red Herring Prospectus to "Canada" "Dubai", "Indonesia", "Malaysia", "Shanghai", and "Singapore" are to Dominion of Canada, Dubai - Federation of the United Arab Emirates, Republic of Indonesia, Federation of Malaysia, People's Republic of China, and the Republic of Singapore respectively.

Unless stated otherwise, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial and other Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information has been prepared to comply in all material respects with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of division II of Schedule III to the Companies Act, 2013, as applicable to the financial statements and other relevant provisions of the Companies Act, 2013. The Restated Consolidated Financial Information of the Company and its subsidiaries (the Company and its subsidiaries together referred to as the "**Group**"), comprise of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2025, March 31, 2024, and March 31, 2023, the Summary Statement of Material Accounting Policies, and other explanatory information, as approved by the Board of Directors of the Company at their meeting held on May 7, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares. The Restated Consolidated Financial Information have been compiled from Audited Consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2025, March 31, 2024, and March 31, 2023 prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on April 30, 2025, June 14, 2024 and September 6, 2023, respectively. For further information, see "*Financial Statements*" beginning on page 360.

Further, during Fiscal 2025, we changed our business model for campaign services and entered into new arrangements with our service providers pursuant to which, we act as an agent and not as a principal for campaign services transactions. Accordingly, the revenue generated from campaign services during Fiscal 2025 has been recorded on a net basis (i.e., net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from cost of campaign services was recognized on a gross basis as we acted as principals for campaign services transactions. Accordingly, the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss for the said Fiscals. Unless the context indicates otherwise and to ensure comparability of revenue from operations for the years presented in our Restated Consolidated Financial Information, 'Net Revenue' (defined as revenue from operations less cost of campaign services) has also been disclosed for all the presented years in applicable sections of this DRHP. Any reference in this DRHP to 'Revenue' or 'revenue from operations' is to revenue from operations as appearing in our Restated Consolidated Financial Information while any reference to 'Net Revenue' is to revenue from operations less cost of campaign services.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*." on page 92.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year/ Financial Year are to the year ended on March 31, of that calendar year.

Unless the context otherwise indicates, any percentage amounts (other than the KPIs and other operational metrics), as set forth in "*Risk Factors*", "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 39, 246 and 423, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information of our Company.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Non-GAAP Financial Measures

In evaluating our business, we consider and use certain non-GAAP financial measures and statistical information, such as Net Revenue, Revenue (net of campaign service cost), EBITDA, EBITDA Margin, EBTIDA Margin (Net Revenue), Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Margin (Net Revenue), Restated Profit/(Loss) before tax Margin, Restated Profit / (Loss) before tax (Net Revenue) Margin, Restated Profit / (Loss) for the Year , Restated Profit / (Loss) for the Year (Net Revenue) Margin, Debt to Equity Ratio, Return on Capital Employed, Net Worth, Return on Net Worth and Net Asset Value per Equity Share, which are not required by, or presented in accordance with, Ind AS or any other generally accepted accounting principles. These non-GAAP financial measures and statistical information are not a measurement of our financial performance or liquidity under Ind AS or any other generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or any other generally accepted accounting principles. We compute and disclose such non-GAAP financial measures and statistical information as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies such as us. These non-GAAP financial measures and other statistical information may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies.

Certain of our non-GAAP financial measures and statistical information (referred to as KPIs) are disclosed in "*Basis for Offer Price – Key Performance Indicators (KPIs)*" on page 174.

For the risks relating to our non-GAAP financial measures and statistical information, see "*Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any* *standard methodology that is applicable across the SaaS industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.*" on page 80.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Customer Loyalty and Engagement Software Market Overview*" dated June 2025 ("**Zinnov Report**"), which is exclusively prepared for the purpose of the Offer and issued by Zinnov and is commissioned and paid for by our Company. Zinnov was appointed by our Company pursuant to the engagement letter dated February 19, 2025. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. This Draft Red Herring Prospectus contains certain data and statistics from the Zinnov Report, which will be available on the website of our Company at https://www.capillarytech.com/investors/.

Zinnov is an independent agency which has no relationship with our Company, our Subsidiaries, our Promoters, Promoter Group, Group Companies, any of our Shareholders, Directors or Key Managerial Personnel or Senior Management Personnel.

For details of risks in relation to the Zinnov Report, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose.*" on page 81.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 39. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 169 includes information relating to our peer group companies. Such information has been derived from publicly available sources.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "Rs." or "INR" are to the Indian Rupees, the official currency of the Republic of India;
- "US$", "U.S. Dollar", "USD" or "U.S. Dollars" are to the United States Dollars, the official currency of the United States of America;
- "C$" or "CAD" are to the Canadian Dollars, the official currency of the Dominion of Canada;
- "GBP" or "UK£" or "£" are to the Pound Sterling, the official currency of the United Kingdom;
- "SGD" or "S$" are to the Singapore Dollar, the official currency of the Republic of Singapore;
- "AED" or "Dirham" are to the Emirati Dirham, the official currency of the United Arab Emirates;
- "Yuan" or "RMB" are to the Renminbi, the official currency of the People's Republic of China;
- "RM" or the "MYR" are to the Malaysian Ringgit, the official currency of Federation of Malaysia; and
- "IDR" or "Rp" are to the Indonesian Rupiah, the official currency of Republic of Indonesia.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in millions. One million represents '0.1 crore','10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees for the periods indicated are provided below:

Currency#	As on March 31, 2025 (₹)	As on March 31, 2024 (₹)	As on March 31, 2023 (₹)
1 USD	85.58	83.37	82.22
1 CAD	59.72	61.52	60.65
1 GBP	110.74	105.29	101.87
1 SGD	63.69	61.67	61.83
1 AED	23.28	22.69	22.36
1 MYR	19.27	17.63	18.57
1 IDR	0.005	0.005	0.005
1 RMB	11.77	11.53	11.94

#Source: www.fbil.org.in. & www.oanda.com

Note: The exchange rates are rounded off to two decimal places and in event of a public holiday on the respective day, the previous Working Day not being a public holiday has been considered

DISCLAIMER

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "expect", "estimate", "intend", "likely to", "objective", "may", "plan", "propose", "project", "will", "will continue", "seek to", will likely", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. We generate a significant portion of our revenues from a limited number of customers. Our top five and top 10 customers contributed to 43.35% and 58.71%, respectively, of our revenue from operations in Fiscal 2025. Any loss or reduction of business or termination of contracts from/by these customers could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.

2. We derive a significant portion of our revenue from customers located in North America. In Fiscals 2025, 2024 and 2023 our revenue from the customers located in North America accounted for 56.59%, 48.09% and 20.00%, respectively, of our revenue from operations. Any adverse developments in North America could adversely affect our business, results of operations, cash flows and financial condition.

3. We may be unable to attract new customers in a cost-effective manner which may adversely affect our business, cash flows, results of operations and financial condition.

4. We have incurred losses of ₹593.78 million in Fiscal 2024 and ₹877.19 million in Fiscal 2023 and certain of our Material Subsidiaries have also incurred losses in the past and we may experience losses in the future which could result in an adverse effect on our business, cash flows and financial condition.

5. We have undertaken, and may continue to undertake strategic acquisitions, which we may fail to integrate efficiently and which may not perform in line with our expectations or may be prone to other contingencies.

6. Our success is dependent on our ability to develop and innovate our platform, products and solutions in a cost efficient and timely manner. Any failure to do so or inability of our products/solutions to satisfy our customers or perform as desired could adversely impact our business, results of operations, cash flows and financial condition.

7. We are significantly dependent on our employees for our business operations (including for design, development and maintenance of our products and platform, customer acquisition and retention) and we incur significant expenses in relation to meeting our obligations towards our employees. The loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.

8. We rely on third-party service providers including data centers and cloud computing providers, and any interruption or delay in service from these facilities could impair the delivery of our products and adversely

impact our business and results of operations. Further, any increase in fee charged by such service providers may have an adverse impact on our profitability.

9. If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our customers' data or our data, our platform and products may be perceived as not being secure, our reputation may be harmed, demand for our platform and products may be reduced and we may incur significant liabilities.

10. A majority of our revenues are dependent on a limited number of industry verticals. Customers in retail, healthcare, BFSI and telecommunications verticals contributed to 64.08%, 56.60% and 50.19% of our revenue from operations in Fiscals 2025, 2024 and 2023 respectively. Any decrease in demand for services in these industry verticals could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.

For a further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*", "*Our Business*" "*Industry Overview*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 39, 246, 209 and 423, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions as well as statements based on them could prove to be inaccurate. Neither our Company, the Selling Shareholders, our Directors, the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus with the RoC until receipt of final listing and trading approvals by the Stock Exchanges for this Offer. The Selling Shareholders shall ensure that they will keep our Company and the BRLMs informed of all developments pertaining to Offered Shares and themselves, that may be material from the context of the Offer from the date of filing of the Red Herring Prospectus with the RoC until receipt of final listing and trading approvals by the Stock Exchanges for this Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure", and "Description of Equity Shares and Terms of Articles of Association" beginning on pages 39, 96, 112, 149, 209, 246, 353, 367, 471, 517 and 540, respectively of this Draft Red Herring Prospectus.

Summary of primary business of our Company

We are a software product company offering artificial intelligence-based cloud-native Software-as-a-Service ("**SaaS**") products and solutions primarily to Enterprise Customers (defined as customers contributing more than ₹ 8.00 million in revenue from operations in a Fiscal) globally. Our diversified product suite which includes our advanced loyalty management platform (*Loyalty+*), connected engagement platform (*Engage+*), predictive analytics platform (*Insights+*), rewards management platform (*Rewards+*) and customer data platform allow our customers to run end-to-end loyalty programs, get a comprehensive view of consumers and offer unified, cross-channel strategies that deliver a real-time omni-channel, personalized, and consistent experience for consumers.

For further information, see "*Our Business*" beginning on page 246.

Summary of industry in which our Company operates

The global loyalty market is valued at USD 17 billion and is expected to grow significantly, reaching USD 24.7 billion by 2028, projecting a significant growth of 9.9% between 2024 to 2028. Changing end-user demographics, growing expenditure on loyalty programs, rapid growth in the applications of AI and analytics, and appreciation for online reward management solutions are adding to the loyalty market growth. As the customer engagement and loyalty landscape matures, SaaS players are evolving beyond traditional models, embracing hybrid strategies that combine the scale of horizontal solutions with the depth of vertical specialization. (*Source: Zinnov Report*)

For further information, see "*Industry Overview*" beginning on page 209.

Promoters

Our Promoters are CTIPL and Aneesh Reddy Boddu. For details, see "*Our Promoters and Promoter Group*" on page 353.

Offer size

Offer of [●] equity shares of face value ₹2 each [1]	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
of which:	
Fresh Issue [1][3]	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹4,300.00 million
Offer for Sale[2]	Up to 18,331,386 equity shares of face value ₹2 each, aggregating up to ₹[●] million
The Offer may include:	
Employee Reservation Portion[4]	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
Net Offer	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million

Notes:

1 *The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on May 23, 2025. Our Shareholders authorised the Fresh Issue through a special resolution passed in their EGM held on May 29, 2025.*

2 *Each of the Selling Shareholders, severally and jointly, confirms that it is eligible to participate in the Offer for Sale in accordance with Regulation 8 of the SEBI ICDR Regulations as on the date of this Draft Red Herring Prospectus. Each of the Selling Shareholders, severally and not jointly, confirmed that its respective portion of the Offered Shares will be offered for sale in the Offer in accordance with Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to such Selling Shareholder, as on the date of this Draft Red Herring Prospectus. Each of the Selling Shareholders severally and not jointly, authorized its participation in the Offer for Sale to the extent of its respective portion of the Offered Shares in the Offer for Sale. Our Board of Directors have taken on record the*

authorizations for the Offer for Sale by the Selling Shareholders to, severally and not jointly, participate in the Offer for Sale pursuant to its resolution dated June 18, 2025. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 96 and 487, respectively.

3 *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹0.50 million), shall be added to the Net Offer. For further details, see "Offer Structure" on page 512. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Issue and such Bids will not be treated as multiple Bids subject to applicable limits.*

The Offer and the Net Offer shall constitute [●]% and [●]% of the post-Offer paid up Equity Share capital of our Company. For further details, please see "*The Offer*" and "*Offer Structure*" on pages 96 and 512, respectively.

Objects of the Offer

The Net Proceeds are proposed to be utilised towards the following objects:

(in ₹ million)

Objects	Estimated amount
Funding our cloud infrastructure cost	1,200.00
Investment in research, designing and development of our products and platform	1,515.44
Investment in purchase of computer systems for our business	103.16
Funding inorganic growth through unidentified acquisitions and general corporate purposes*	[●]
Net Proceeds **	[●]

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes and towards unidentified acquisitions and other strategic initiatives shall not, in aggregate, exceed 35% of the Gross Proceeds, out of which the amounts to be utilized towards either of (i) general corporate purposes, or (ii) unidentified acquisitions and other strategic initiatives will not exceed 25% of the gross proceeds.*

*** Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

For further details see "*Objects of the Offer*" on page 149.

Aggregate pre-Offer shareholding of the Promoters, Promoter Group (other than Promoters) and Selling Shareholders as a percentage of the paid-up equity share capital of our Company:

Sr. No.	Name of Shareholder	Pre-Offer	
		Number of Equity Shares	**Percentage of paid-up Equity Share capital (%)**
Promoters			
1.	CTIPL*	48,008,006(1)(2)	65.47%
2.	Aneesh Reddy Boddu	1,701,681	2.32%
Promoter Group (Other than Promoters)			
3.	Mohan Boddu Reddy	48,699	0.07%
4.	Aditya Reddy Boddu	23,974	0.03%

Sr. No.	Name of Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of paid-up Equity Share capital (%)
5.	Pavani Pulla Reddy	11,361	0.02%
Investor Selling Shareholders			
6.	Ronal Holdings LLC	5,524,350	7.53%
7.	Trudy Holdings	3,290,769	4.49%
8.	Filter Capital India Fund I	2,683,935	3.66%
Individual Selling Shareholders			
9.	Sripathi Venkata Ramana Reddy	32,457	0.04%
10.	Harminder Sahni	24,349	0.03%
11.	Adarsh Reddy B	14,639	0.02%
12.	Sudhakar Reddy Katanguri	10,384	0.01%
13.	Sripathi Damodar Reddy	9,759	0.01%
14.	Manjunath Nanjaiah	5,000	0.01%
Total		**61,389,363**	**83.72%**

** Also, a Selling Shareholder*

(1) Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.

*(2) The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

Pre and post-Offer shareholding of Promoters, Promoter Group (other than our Promoters) and additional top 10 Shareholders

Sr. No.	Name of shareholder	Pre-Offer shareholding as at the date of the price band advertisement^		Post-Offer shareholding ^ **			
				At the lower end of the Price Band (₹[●])		At the upper end of the Price Band (₹[●])	
		Number of Equity Shares(1)	Percentage of paid-up equity share capital (%)(1)	Number of Equity Shares(1)	Percentage of paid-up equity share capital (%)(1)	Number of Equity Shares(1)	Percentage of paid-up equity share capital (%)(1)
(A) Promoters							
1.	CTIPL	[●]	[●]	[●]	[●]	[●]	[●]
2.	Aneesh Reddy Boddu	[●]	[●]	[●]	[●]	[●]	[●]
	Total (A)	[●]	[●]	[●]	[●]	[●]	[●]
(B) Promoter Group ***(other than our Promoters)***							
1.	Mohan Boddu Reddy	[●]	[●]	[●]	[●]	[●]	[●]
2.	Aditya Reddy Boddu	[●]	[●]	[●]	[●]	[●]	[●]
3.	Pavani Pulla Reddy	[●]	[●]	[●]	[●]	[●]	[●]
	Total (B)	[●]	[●]	[●]	[●]	[●]	[●]
(C) Additional Top 10 Shareholders ***(apart from Promoters and Promoter Group)****							
1.	Ronal Holdings LLC	[●]	[●]	[●]	[●]	[●]	[●]
2.	AVP Fund II	[●]	[●]	[●]	[●]	[●]	[●]
3.	Trudy Holdings	[●]	[●]	[●]	[●]	[●]	[●]
4.	Filter Capital India Fund I	[●]	[●]	[●]	[●]	[●]	[●]
5.	Schroders Capital Private Equity Asia Mauritius IX Limited	[●]	[●]	[●]	[●]	[●]	[●]
6.	Anant Choubey	[●]	[●]	[●]	[●]	[●]	[●]
7.	Bollam Sridhar	[●]	[●]	[●]	[●]	[●]	[●]
8.	GGSA Ventures LLP	[●]	[●]	[●]	[●]	[●]	[●]
9.	Indus Holdings Limited	[●]	[●]	[●]	[●]	[●]	[●]
10.	Piyush Kumar	[●]	[●]	[●]	[●]	[●]	[●]
	Total (C)	[●]	[●]	[●]	[●]	[●]	[●]

Sr. No.	Name of shareholder	Pre-Offer shareholding as at the date of the price band advertisement^		Post-Offer shareholding ^ **			
				At the lower end of the Price Band (₹[●])		At the upper end of the Price Band (₹[●])	
		Number of Equity Shares(1)	Percentage of paid-up equity share capital (%)(1)	Number of Equity Shares(1)	Percentage of paid-up equity share capital (%)(1)	Number of Equity Shares(1)	Percentage of paid-up equity share capital (%)(1)
	Total (A+B+C)	[●]	[●]	[●]	[●]	[●]	[●]

^ To be updated in the Prospectus prior to filing with the RoC.
** As per the shareholding as on date of filing of this Draft Red Herring Prospectus.*
***Subject to finalisation of the Basis of Allotment.*

(1) Will include all options that would have been exercised until the date of Price Band advertisement and any transfers of Equity Shares by the Shareholders after the date of the pre-Issue and Price Band advertisement.

Summary of Restated Consolidated Financial Information

The summary of certain financial information as set out under the SEBI ICDR Regulations as of and for the Fiscals 2025, 2024 and 2023, derived from the Restated Consolidated Financial Information is set forth below. For further details, see "***Restated Consolidated Financial Information***" on page 367:

(in ₹ million, except per share data)

Particulars	As at and for the Fiscal period ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Equity share capital	146.65	146.46	105.79
Net Worth	4,814.24	4,521.29	997.46
Revenue from operations	5,982.59	5,251.00	2,553.72
Total income	6,118.69	5,354.40	2,662.53
Restated profit/ (loss) for the year from continuing operations	141.54	(683.51)	(885.56)
Restated profit/ (loss) for the year	132.80	(593.78)	(877.19)
Restated earnings per share from continuing operations			
- Basic	1.93	(12.15)	(17.63)
- Diluted	1.91	(12.15)	(17.63)
Net asset value per equity share	65.03	79.20	19.77
Borrowings	1,000.94	771.66	1,474.71

Notes:

- *The above information has been derived from the Restated Consolidated Financial Statements*
- *Basic earnings per share (₹) = Basic EPS is calculated by dividing Profit/ (loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during Fiscal 2025, 2024 and 2023 was 73.25 million, 56.27 million and 50.24 million respectively.*
- *Diluted earnings per share (₹) = Diluted EPS is calculated by dividing Profit/ (loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations by the weighted average number of equity shares adjusted for the effect of dilution. Weighted average number of equity shares adjusted for the effect of dilution are computed as a sum of weighted average number of equity shares outstanding during the year and effect of dilution due to employee share options. Weighted average number of equity shares adjusted for the effect of dilution during Fiscal 2025, 2024 and 2023 was 74.03 million, 57.09 million and 50.46 million respectively.*
- *Net asset value per equity share = Net worth as of the end of the Fiscal divided by the weighted average outstanding equity shares considered for diluted EPS as the end of the Fiscal*
- *"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve For further details, see Note 13 and 14 of the "Restated Consolidated Financial Information" on page 391 and 392 and "Other Financial Information - Reconciliation of Non-GAAP Measures" on page 422.*
- *Borrowings represents the sum of current and non-current borrowings.*
- *For reconciliation of Non-GAAP measures, please see "Other Financial Information – Reconciliation of Non-GAAP Measures" on page 422.*

For further details see "*Financial Statements*", "*Other Financial Information*" and "*Basis for Offer Price*" on pages 360, 422 and 169, respectively.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

Our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors, KMPs, SMPs and our Promoters as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations have been set out below:

Category of individuals / entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against the promoters in the last five fiscals including outstanding action	Material Civil Litigation	Aggregate amount involved* (₹ in million)
Company						
By our Company	NIL	NA	NA	NA	NIL	NIL
Against our Company	NIL	3	NIL	NA	NIL	NIL
Subsidiaries						
By our Subsidiaries	NIL	NA	NA	NA	NIL	NIL
Against our Subsidiaries	NIL	4	NIL	NA	NIL	7.12
Directors						
By our Directors	NIL	NA	NA	NA	NIL	NIL
Against our Directors	4	NIL	NIL	NA	NIL	NIL
KMPs						
By our KMPs	NIL	NA	NA	NA	NA	NA
Against our KMPs	NIL	NA	NIL	NA	NA	NA
SMPs						
By our SMPs	NIL	NA	NA	NA	NA	NA
Against our SMPs	NIL	NA	NIL	NA	NA	NA
Promoters						
By our Promoters	NIL	NA	NA	NA	NIL	NIL
Against our Promoters	NIL	NIL	NIL	NIL	NIL	NIL

**To the extent quantifiable*

As on the date of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which will have a material impact on our Company.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 471.

Risk Factors

Specific attention of Investors is invited to the section "*Risk Factors*" on page 39. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. We generate a significant portion of our revenues from a limited number of customers. Our top five and top 10 customers contributed to 43.35% and 58.71%, respectively, of our revenue from operations in Fiscal 2025. Any loss or reduction of business or termination of contracts from/by these customers could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.

2. We derive a significant portion of our revenue from customers located in North America. In Fiscals 2025, 2024 and 2023 our revenue from the customers located in North America accounted for 56.59%, 48.09% and 20.00%, respectively, of our revenue from operations. Any adverse developments in North America could adversely affect our business, results of operations, cash flows and financial condition.

3. We may be unable to attract new customers in a cost-effective manner which may adversely affect our business, cash flows, results of operations and financial condition.

4. We have incurred losses of ₹593.78 million in Fiscal 2024 and ₹877.19 million in Fiscal 2023 and certain of our Material Subsidiaries have also incurred losses in the past and we may experience losses in the future which could result in an adverse effect on our business, cash flows and financial condition.

5. We have undertaken, and may continue to undertake strategic acquisitions, which we may fail to integrate efficiently and which may not perform in line with our expectations or may be prone to other contingencies.

6. Our success is dependent on our ability to develop and innovate our platform, products and solutions in a cost efficient and timely manner. Any failure to do so or inability of our products/solutions to satisfy our customers or perform as desired could adversely impact our business, results of operations, cash flows and financial condition.

7. We are significantly dependent on our employees for our business operations (including for design, development and maintenance of our products and platform, customer acquisition and retention) and we incur significant expenses in relation to meeting our obligations towards our employees. The loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.

8. We rely on third-party service providers including data centers and cloud computing providers, and any interruption or delay in service from these facilities could impair the delivery of our products and adversely impact our business and results of operations. Further, any increase in fee charged by such service providers may have an adverse impact on our profitability.

9. If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our customers' data or our data, our platform and products may be perceived as not being secure, our reputation may be harmed, demand for our platform and products may be reduced and we may incur significant liabilities.

10. A majority of our revenues are dependent on a limited number of industry verticals. Customers in retail, healthcare, BFSI and telecommunications verticals contributed to 64.08%, 56.60% and 50.19% of our revenue from operations in Fiscals 2025, 2024 and 2023 respectively. Any decrease in demand for services in these industry verticals could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.

Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For further details on the afore-mentioned risk factors, please see, "*Risk Factors*" on page 39.

Summary of Contingent Liabilities of our Company

The following is a summary table of our contingent liabilities as at March 31, 2025 as per Ind AS 37 as derived from the Restated Consolidated Financial Information

(₹ in million)

S. No.	Particulars	As at March 31, 2025
1.	Bank guarantees outstanding	3.91

For further details, see "*Financial Statements – Restated Consolidated Financial Information - Note 34 – Contingent Liabilities*" and "*Risk Factors - We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialize*" on pages 402 and 67 respectively.

Summary of Related Party Transactions

A summary of related party transactions entered into by our Company with related parties for Fiscals 2025, 2024 and 2023, as per Ind AS 24 – Related Party Disclosures and as reported in the Restated Consolidated Financial Information is set forth below:

(₹ in million)

Nature of Transaction	Related Party	Fiscal ended March 31, 2025	Fiscal ended March 31, 2024	Fiscal ended March 31, 2023
Interest on borrowings	Capillary Technologies International Pte. Ltd., Singapore	Nil	11.92	19.19
Interest on borrowings	MS Biotech Private Limited	Nil	0.51	4.93
Sitting fees to non-executive directors	Venkat Ramana Tadanki	0.90	0.90	0.90
Sitting fees to non-executive directors	Neelam Dhawan	1.10	1.00	1.20
Sitting fees to non-executive directors	Sameer Garde	NA	Nil	0.60
Sitting fees to non-executive directors	Yamini Preethi Natti	0.70	0.70	0.60
Sitting fees to non-executive directors	Farid Lalji Kazani	0.80	0.80	1.00
Issuance of equity shares (including securities premium)	Capillary Technologies International Pte. Ltd., Singapore	Nil	573.52	Nil
Issuance of equity shares (including securities premium)	Mohan Reddy Boddu	Nil	Nil	0.02
Issuance of equity shares (including securities premium)	Anant Choubey	Nil	8.66	0.02
Issuance of equity shares (including securities premium)	Aditya Reddy Boddu	Nil	Nil	0.01
Issuance of equity shares (including securities premium)	Mahendra Chordia (upto May 13, 2022)	NA	NA	0.01
Issuance of equity shares (including securities premium)	Sameer Garde (up to March 31, 2024)	NA	1.42	Nil
Issuance of equity shares (including securities premium)	Satish Kumar Choubey	NA	Nil	0.01
Issuance of equity shares (including securities premium)	Aneesh Reddy Boddu	Nil	136.19	Nil
Expenditure incurred by the Company on behalf of others	Reasoning Global Eapplications Private Limited, India	Nil	Nil	0.12
Expenditure incurred by the Group on behalf of Ultimate Holding Company	Capillary Technologies International Pte. Ltd., Singapore	3.52	16.15	29.72
Expenditure incurred by the Ultimate Holding Company on behalf of the Group	Capillary Technologies International Pte. Ltd., Singapore	7.87	Nil	Nil
Borrowings from private company in which Key Managerial Personnel or their relatives is a member or director	MS Biotech Private Limited	Nil	Nil	100.00
Repayment of borrowing from private company in which Key Managerial	MS Biotech Private Limited	Nil	50.00	50.00

Nature of Transaction	Related Party	Fiscal ended March 31, 2025	Fiscal ended March 31, 2024	Fiscal ended March 31, 2023
Personnel or their relatives is a member or director				
Loan from director	Aneesh Reddy Boddu	Nil	Nil	50.00
Repayment of loan from director	Aneesh Reddy Boddu	Nil	Nil	50.00
Professional and consultancy expenses	Sameer Garde (upto December 31, 2022)	NA	NA	4.91
Other miscellaneous income	Capillary Technologies International Pte. Ltd., Singapore	13.67	16.58	9.19
Remuneration to key managerial personnel and their relatives (including employee stock option expenses)	Anant Choubey	12.96	16.87	72.73
Remuneration to key managerial personnel and their relatives (including employee stock option expenses)	Aneesh Reddy Boddu	16.31	133.61	240.21
Remuneration to key managerial personnel and their relatives (including employee stock option expenses)	Mahendra Chordia (upto May 13, 2022)	NA	NA	2.16
Remuneration to key managerial personnel and their relatives (including employee stock option expenses)	Gireddy Bhargavi Reddy	5.58	5.50	4.98
Remuneration to key managerial personnel and their relatives (including employee stock option expenses)	Sameer Garde (up to March 31, 2024)	NA	11.17	10.57

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, see *"Financial Statements – Restated Consolidated Financial Information – Note 35 – Related Party Disclosures"*, on page 403.

Financing Arrangements

Our Promoters, members of Promoter Group, Directors and their relatives have not financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which specified securities were acquired by our Promoters and the Selling Shareholders, in the preceding one year from the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares acquired in last one year	Weighted average price per Equity Share (in ₹)*
Promoters			
1.	CTIPL#	Nil	Nil
2.	Aneesh Reddy Boddu	Nil	Nil
Investor Selling Shareholders			
3.	Ronal Holdings LLC	Nil	Nil
4.	Trudy Holdings	161,235	539.33
5.	Filter Capital India Fund I	1,320,296	433.37

Sr. No.	Name of Shareholder	Number of Equity Shares acquired in last one year	Weighted average price per Equity Share (in ₹)*
Individual Selling Shareholders			
6.	Sripathi Venkata Ramana Reddy	Nil	Nil
7.	Harminder Sahni	Nil	Nil
8.	Adarsh Reddy B	Nil	Nil
9.	Sudhakar Reddy Katanguri	Nil	Nil
10.	Sripathi Damodar Reddy	Nil	Nil
11.	Manjunath Nanjaiah	Nil	Nil

** As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*
 # Also, a Selling Shareholder.

Average Cost of Acquisition of Equity Shares held by our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share for our Promoters and the Selling Shareholders as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
Promoters			
1.	CTIPL#	48,008,006(1) (2)	35.52
2.	Aneesh Reddy Boddu	1,701,681	21.31
Investor Selling Shareholders			
3.	Ronal Holdings LLC	5,524,350	308.00
4.	Trudy Holdings	3,290,769	319.33
5.	Filter Capital India Fund I	2,683,935	369.67
Individual Selling Shareholders			
6.	Sripathi Venkata Ramana Reddy	32,457	308.18
7.	Harminder Sahni	24,349	308.23
8.	Adarsh Reddy B	14,639	308.18
9.	Sudhakar Reddy Katanguri	10,384	308.21
10.	Sripathi Damodar Reddy	9,759	308.20
11.	Manjunath Nanjaiah	5,000	308.20

** As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*
 # Also, a Selling Shareholder.
(1) Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.
*(2) The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, members of Promoter Group, the Selling Shareholders and the Shareholders with rights to nominate one or more directors or other rights

A. Equity Shares

Name of the shareholder/acquirer	Date of acquisition of equity shares	Number of equity shares acquired	Nature of transaction	Face value per equity share	Acquisition price per equity share (in ₹)(5)
Promoters					
CTIPL(1)	January 29, 2024	435,065	Conversion of external commercial borrowings	2.00	308.00
	March 28, 2024	9,989,099	Right Issue	2.00	44.00
Aneesh Reddy Boddu	November 15, 2023	386,625	Allotment under ESOP 2021	2.00	2.00
	December 27, 2023	1,592,153	Transfer of shares from Anant Choubey to Aneesh Reddy Boddu	2.00	15.00

Name of the shareholder/acquirer	Date of acquisition of equity shares	Number of equity shares acquired	Nature of transaction	Face value per equity share	Acquisition price per equity share (in ₹)[5]
	March 28, 2024	388,833	Right Issue	2.00	44.00
Promoter Group (Other than Promoters)					
Mohan Boddu Reddy	March 29, 2023	8,806	Bonus issue	2.00	N.A.
Aditya Reddy Boddu	March 29, 2023	4,335	Bonus issue	2.00	N.A.
Pavani Pulla Reddy	March 29, 2023	2,054	Bonus issue	2.00	N.A.
Investor Selling Shareholders					
Ronal Holdings LLC	December 29, 2023[2]	5,524,350	Conversion of CCDs to 5,524,350 equity shares of face value ₹2 each	2.00	N.A.[3]
Trudy Holdings	March 29, 2023	2,664,285	Preferential allotment	2.00	308.00
	April 17, 2023	465,249	Preferential allotment	2.00	308.00
	March 21, 2025	161,235	Transfer of shares from CTIPL to Trudy Holdings	2.00	539.33
Filter Capital India Fund I	June 27, 2023	324,676	Preferential allotment	2.00	308.00
	August 11, 2023	487,014	Preferential allotment	2.00	308.00
	January 16, 2024	355,492	Preferential allotment	2.00	308.00
	March 4, 2024	4,880	Transfer from Subhod C M to Filter Capital India Fund I	2.00	308.00
	March 4, 2024	4,880	Transfer from Keval Prabhu to Filter Capital India Fund I	2.00	308.00
	March 6, 2024	8,120	Transfer from Nareshbhat Ullal Chavadi to Filter Capital India Fund I	2.00	308.00
	March 6, 2024	16,240	Transfer from Mahendra Chordia to Filter Capital India Fund I	2.00	308.00
	March 28, 2024	162,337	Transfer from Vipassana International Meditation Centre Dhamma Sukhalaya to Filter Capital India Fund I	2.00	308.00
	December 12, 2024	759,938	Transfer from CTIPL to Filter Capital India Fund I	2.00	364.54
	January 18, 2025	94,785	Preferential allotment	2.00	526.70
	February 6, 2025	4,879	Transfer from Keval Prabhu to Filter Capital India Fund I	2.00	526.70
	February 6, 2025	25,000	Transfer from Sameer Garde to Filter Capital India Fund I	2.00	526.70
	February 6, 2025	19,489	Transfer from Vivasan Associates LLP to Filter Capital India Fund I	2.00	526.70
	March 11, 2025	16,089	Transfer from Rajat Kothari to Filter Capital India Fund I	2.00	526.70
	March 18, 2025	9,759	Transfer from D Kiran to Filter Capital India Fund I	2.00	526.70
	March 27, 2025	390,357	Transfer from CTIPL to Filter Capital India Fund I	2.00	526.70
Individual Selling Shareholders					
Sripathi Venkata Ramana Reddy	March 29, 2023	5,869	Bonus issue	2.00	N.A.
Harminder Sahni	March 29, 2023	4,403	Bonus issue	2.00	N.A.
Adarsh Reddy B	March 29, 2023	2,647	Bonus issue	2.00	N.A.

Name of the shareholder/acquirer	Date of acquisition of equity shares	Number of equity shares acquired	Nature of transaction	Face value per equity share	Acquisition price per equity share (in ₹)(5)
Sudhakar Reddy Katanguri	March 29, 2023	1,877	Bonus issue	2.00	N.A.
Sripathi Damodar Reddy	March 29, 2023	1,764	Bonus issue	2.00	N.A.
Manjunath Nanjaiah	March 29, 2023	1,764	Bonus issue	2.00	N.A.
Shareholders with right to nominate directors or other rights (other than our Promoter, CTIPL)(4)					
Nil	Nil	Nil	Nil	Nil	Nil

(1) Also, a Selling Shareholder
(2) Consideration was received by the Company at the time of allotment of the CCDs
(3) The consideration of ₹1,701.50 million was paid by Ronal Holdings LLC at the time of allotment of CCDs. 5,524,350 equity shares of face value ₹2 each were allotted to Ronal Holdings LLC pursuant to conversion of CCDs and the resultant price per equity share translates to ₹308 per equity share.
(4) Our Promoter, CTIPL has a right to receive certain information in relation to our Company until filing of the Red Herring Prospectus.
(5) As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

B. Compulsorily convertible debentures

Name of the acquirer	Date of acquisition of CCDs	Number of CCDs acquired	Nature of transaction	Face value per CCD	Allotment price per CCDs (in ₹)
Ronal Holdings LLC	October 30, 2023	5,524,350	Private placement	2.00	308.00

** As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*

Except for the information rights available to our Promoter, CTIPL in relation to our Company until filing of the Red Herring Prospectus as disclosed under "– *Other Material Agreements – Indemnity and Exit Agreement*" on page 326, none of the Shareholders of our Company have a right to nominate a director or any other special rights.

Weighted average cost of acquisition of all Equity Shares transacted in the 3 years, 18 months and 1 year preceding the date of this Draft Red Herring Prospectus

Period	Weighted average cost of acquisition (in ₹)*	Cap Price is 'X' times the weighted average cost of acquisition**	Range of acquisition price: lowest price – highest price (in ₹)@*
Last one year preceding the date of this Draft Red Herring Prospectus	187.28	[●]	Nil – 541.44
Last 18 months preceding the date of this Draft Red Herring Prospectus	171.44	[●]	Nil – 541.44
Last three years preceding the date of this Draft Red Herring Prospectus	456.80	[●]	Nil – 541.44

** As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*
*** To be updated on finalisation of Price Band*
@ Includes shares acquired by way of gifts

Details of Pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

The details of the Pre-IPO Placement (details of date of allotment, name of allottees, number of Equity Shares, percentage of pre-Offer share capital of the company, price per share, total consideration), if undertaken will be updated in the RHP and Prospectus.

Issue of equity shares for consideration other than cash or bonus issue in the last one year

Our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Draft Red Herring Prospectus.

Split / Consolidation of equity shares of our Company in the last one year

Our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied to SEBI for any exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows, financial condition and/or prospects. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Key Regulations and Policies" and "Financial Information" on pages 246, 209, 423, 294 and 360, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Unless the context otherwise indicates, all references to the terms "we", "us" and "our" are to our Company and our Subsidiaries on a consolidated basis. Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year.

*During Fiscal 2025, we changed our business model for campaign services and entered into new arrangements with our service providers pursuant to which, we act as an agent and not as a principal for campaign services transactions. Accordingly, the revenue generated from campaign services during Fiscal 2025 has been recorded on a net basis (i.e., net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from cost of campaign services was recognized on a gross basis as we acted as principals for campaign services transactions. Accordingly, the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss for the said Fiscals. Unless the context indicates otherwise and to ensure comparability of revenue from operations for the years presented in our Restated Consolidated Financial Information, 'Net Revenue' (defined as revenue from operations less cost of campaign services) has been disclosed for all the presented years in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations" on page 423. Any reference in this section to 'Revenue' or 'revenue from operations' is to revenue from operations as appearing in our Restated Consolidated Financial Information while any reference to 'Net Revenue' is to revenue from operations less cost of campaign services. Unless otherwise indicated or the context otherwise requires, the financial information included in this Draft Red Herring Prospectus for Fiscals 2025, 2024 and 2023 are derived from our Restated Consolidated Financial Information (collectively referred to as the "**Restated Consolidated Financial Information**"). For further information, see "Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation – Financial Data" on page 21. Our financial year commences on April 1 and ends on March 31, and references to a particular financial year are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Customer Loyalty and Engagement Software Market Overview" dated June, 2025 (the "**Zinnov Report**"), exclusively prepared and issued by Zinnov who was appointed pursuant to the engagement letter dated February 19, 2025, and exclusively commissioned by and paid for by our Company in connection with the Offer. The data included herein includes excerpts from the Zinnov Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. The Zinnov Report will form part of the material documents for inspection and a copy of the Zinnov Report is available on the website of our Company at https://www.capillarytech.com/investors/. Unless otherwise indicated, or unless the context* *otherwise requires, financial, operational, industry and other related information derived from the Zinnov Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see " – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose." on page 81. Also see, "Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 21.*

Internal Risk Factors

1. ***We generate a significant portion of our revenues from a limited number of customers. Our top five and top 10 customers contributed to 43.35% and 58.71%, respectively, of our revenue from operations in Fiscal 2025. Any loss or reduction of business or termination of contracts from/by these customers could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.***

We have derived and may, in the foreseeable future, continue to derive a significant portion of our revenues from a limited number of customers. Set forth below are certain details regarding revenues derived from our top customer, top five customers and top ten customers for the years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from our top customer* (₹ million)	989.28	16.54%	358.11	6.82%	284.17	11.13%
Revenue from top five customers* (₹ million)	2,593.00	43.35%	1,604.65	30.56%	930.60	36.45%
Revenue from top ten customers* (₹ million)	3,511.79	58.71%	2,502.10	47.66%	1,392.17	54.53%

**References to 'Customer' are to customers in a particular Fiscal and does not refer to the same customers across all Fiscals.*

The table below sets forth break-up of our revenues from our top ten customers for the years indicated:

S. No.	Customer*	Fiscal					
		2025		2024		2023	
		Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
1.	Customer 1	989.28	16.54%	358.11	6.82%	284.17	11.13%
2.	Customer 2	505.57	8.45%	348.62	6.64%	195.95	7.67%
3.	Customer 3	457.93	7.65%	334.45	6.37%	164.10	6.43%
4.	Customer 4	329.99	5.52%	302.69	5.76%	161.82	6.34%
5.	Customer 5	310.23	5.19%	260.78	4.97%	124.56	4.88%
6.	Customer 6	255.79	4.28%	250.66	4.77%	118.44	4.64%
7.	Customer 7	228.54	3.82%	174.75	3.33%	106.46	4.17%
8.	Customer 8	170.57	2.85%	168.91	3.22%	94.47	3.70%
9.	Customer 9	137.14	2.29%	153.64	2.93%	74.08	2.90%
10.	Customer 10	126.75	2.12%	149.49	2.85%	68.12	2.67%
Total Revenue from Top 10 customers^		**3,511.79**	**58.71%**	**2,502.10**	**47.66%**	**1,392.17**	**54.53%**

**References to 'Customer' are to customers in a particular Fiscal and does not refer to the same customers across all Fiscals.*
^ In Fiscal 2025, our top 10 customers include (i) one of India's prominent conglomerates', (ii) an American technology company, (iii) a global car rental company, (iv) a Canadian-American chain of convenience stores, (v) a British multinational telecommunications company, (vi) a multinational chain of retail clothing stores that originated in the Netherlands, (vii) an American healthcare company that provides technology services, pharmacy care services, (viii) a global energy and petrochemicals major, (ix) an American fashion retailer and (x) a large European bank whose names have not been disclosed here due to non-receipt of consent.
^ In Fiscal 2024, our top 10 customers include (i) an American fashion retailer, (ii) an Indian retail company which operates a chain of small-size hypermarkets, (iii) an American technology company, (iv) a global car rental company, (v) one of UAE's diversified conglomerates, (vi) a Canadian-American chain of convenience stores, (vii) a hospitality company from Japan, (viii) an American multinational automotive manufacturing company, and (ix) a global energy and petrochemicals major and (x) a large European bank whose names have not been disclosed here due to non-receipt of consent.
^ In Fiscal 2023, our top 10 customers include (i) an Indian retail company which operates a chain of small-size hypermarkets, (ii) one of India's prominent conglomerates', (iii) an Indian fashion retail store chain owned by Dubai-based conglomerate, (iv) Indian clothing retail company, (v) an American technology company, (vi) one of UAE's diversified conglomerates, (vii) an American energy company, (viii) a global energy and petrochemicals major, (ix) a chain of convenience stores operator in Thailand and (x) a retail company in Dubai whose names have not been disclosed here due to non-receipt of consent.

Our ability to maintain ongoing relationships with these customers is essential to the growth and profitability of our business. Services and solutions we provide to customers, and revenues generated from those services, may decline or vary as per the varying needs of our customers. A major customer in one year may not provide the same level of revenues for us in any subsequent year. The loss of one or more key customers for any reason, such as an inability to negotiate acceptable terms, disputes, customers adverse financial changes like bankruptcy, mergers, declining sales, delayed requirements, or work stoppages, could negatively impact our business, operations, and financial condition. There have been instances in the past three Fiscals, wherein we experienced reduction in revenues from a large customer due to uncontrollable factors such as pause / temporary intermission of program. For instance, in Fiscal 2024, a credit card issuer that partnered with one of our customers, an automobile manufacturer acquired through our *Rewards+* Acquisition, stopped its consumer lending business. This impacted our customer's ability to run its card loyalty program. Consequently, our contract with this customer was not renewed, leading to a revenue reduction of ₹153.64 million in Fiscal 2025 for our Subsidiary, Capillary Brierley. We cannot assure you that we will not be adversely affected in the future due to such uncontrollable factors.

The agreements we enter into with our customers are renewed/ auto-renewed, either on an annual basis or in some cases are for a period of three to ten years or unless terminated by either party to an agreement. The minimum term of contracts with our top 10 customers during Fiscal 2025 was three years. Therefore, we must seek to obtain new engagements when our current engagements are successfully completed or are terminated as well as maintain relationships with existing customers and secure new customers to expand our business. Further, while there have been no material instances of termination of contract prior to completion of the term or loss of or reduction in revenues from our repeat customers in the past three Fiscals, the loss or diminution in business from any of our customers primarily repeat customers could have a material adverse effect on our revenue from contracts with customers and results of operations. We may not be able to renew our contracts on favourable terms or at all, or to replace any customer that elects to terminate or not renew its contract with us, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Further, terminations or delays in engagements may make it difficult to plan our project resource requirement.

Further, a number of factors other than our performance could cause the loss of or reduction in business or revenues from a customer, and these factors are not predictable. For example, a customer may decide to reduce spending on technology services or sourcing from us due to a challenging economic environment or other factors, both internal and external, or relating to its business, may be involved in a litigation or may wind up. Further, factors which are not in our or our customers' control such as the socio-political situation in a particular country or the outbreak of a contagious disease may also impact our business adversely. These factors, among others, may include customers pursuing a corporate restructuring, facing pricing pressure, changing outsourcing strategy, switching to other providers or moving such work in-house. While we have not had any such instances in the last three Fiscals, we cannot assure you that such instances will not impact us in the future. The loss of any of our major customers, or a significant decrease in the volume of services we provide or the price at which we sell our services to them could materially adversely affect our business, results of operations, financial condition, and cash flows.

2. ***We derive a significant portion of our revenue from customers located in North America. In Fiscals 2025, 2024 and 2023 our revenue from the customers located in North America accounted for 56.59%, 48.09% and 20.00%, respectively, of our revenue from operations. Any adverse developments in North America could adversely affect our business, results of operations, cash flows and financial condition.***

We derived a significant portion of our revenue from operations from customers located in North America in Fiscals 2025, 2024 and 2023. Further, as part of our growth strategies, we intend to further expand our presence in the United States and pursue further acquisitions in North America. The table below sets forth the details of our revenues based on the location of our customers, and also expressed as a percentage of our revenue from operations, for the years indicated:

	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ million)	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**
North America(1)	3,385.51	56.59%	2,525.01	48.09%	510.84	20.00%
Asia-Pacific(2)	1,446.09	24.17%	1,741.24	33.16%	1711.80	67.03%
EMEA(3)	1,150.99	19.24%	984.75	18.75%	331.08	12.97%
Total	**5,982.59**	**100.00%**	**5,251.00**	**100.00%**	**2,553.72**	**100.00%**

(1) North America includes United States, Mexico and Canada.
(2) Asia-Pacific includes India, South-East Asia and Japan.
(3) EMEA includes the Middle East and European Union.

The contribution of our customers in North America to our overall revenue in the last three Fiscals has increased significantly. Specifically, pursuant to our acquisition, in September 2021, of Persuade Loyalty, LLC (*renamed to Capillary Technologies LLC*) and Persuade Holdings, Inc. (which was since wound-up on June 2, 2023) (together "**Persuade Group**"), we have experienced significant growth in North America. For further information, see " – *We have undertaken, and may continue to undertake strategic acquisitions, which we may fail to integrate efficiently and which may not perform in line with our expectations or may be prone to other contingencies.*" on page 45). Persuade Group's revenues increased from ₹ 505.52 million in Fiscal 2023 to ₹ 1,078.08 million in Fiscal 2024 and to ₹ 2,121.95 million in Fiscal 2025, representing 19.80%, 20.53% and 35.47% of our revenue from operations in such years, respectively. We also acquired Brierley and Partners, Inc. (*renamed as Capillary Brierley Inc.*) ("**B+P**") in April 2023 and Kognitiv in May 2025 operating primarily in the North American markets.

Concentration of our revenues from North America heightens our exposure to adverse developments related to competition, as well as economic, political, regulatory circumstances including on account of any on-going economic slowdown and inflationary trends. Further, any political and social uncertainty in North America may cause capital flows and domestic investment to become more volatile. Any adverse development that affects the overall economy of North America or sectors or industries in which our customers operate, could have an adverse effect on our business, cash flows, financial condition and results of operations. While there have not been any adverse developments in the North American market that have had an impact on our business and results of operations in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

Further, deterioration of financial condition or business prospects of our customers located in North America could reduce their requirement for our services and result in a significant decrease in the revenues we derive from these customers. The table below sets forth details of our revenue from top 10 customers located in the North America for the years indicated, which are also expressed as a percentage of our revenue from operations:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**
Revenue from top 10 customers located in North America	2,758.85	46.11%	1,968.43	37.49%	491.39	19.24%

We cannot assure you that we will be able to maintain historic levels of business from our customers located in North America and particularly in the United States, or that we will be able to reduce geographic concentration in the future.

3. ***We may be unable to attract new customers in a cost-effective manner which may adversely affect our business, cash flows, results of operations and financial condition.***

In order to grow our business, we must continue to attract new customers in a cost-effective manner and enable such customers to realise the benefits associated with our platform, products and solutions, so that we get sufficient opportunity to further enhance these relationships and generate continuous revenue from such customers. However, customer acquisition costs may be high, and certain engagements, particularly with smaller customers may initially yield limited revenues. If such customers do not scale their engagement with us, or if we are unable to increase transaction volumes or pricing, we may be unable to recover our acquisition costs, affecting our profitability.

Set forth are certain details regarding our customer base and our customer acquisition cost for the years indicated:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of customers	98	111	112
Number of brands	393	398	339
Customer acquisition cost[(1)] (₹ million)	1,067.95	872.57	535.85
Customer acquisition cost, as a percentage of Net Revenue (%)[(2)]	17.85%	18.05%	25.88%

(1) Customer acquisition cost is computed as is computed sales and marketing spends plus / (minus) the loss / (profit) earned on installation income.

(2) Customer acquisition cost, as a percentage of Net Revenue (%) is calculated as sales and marketing spends plus / (minus) the loss / (profit) earned on installation income divided by Net Revenue multiplied by 100 for the respective Fiscal.

Our New Annual Contract Value or New ACV, i.e., computed as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services, have also increased over the last three fiscals which may not be sustainable if we are unable to retain our existing customers. Set forth below are details of our New ACV:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
New ACV (₹ million)	1,223.59	1,145.92	578.65

Further our growth strategy involves, in part, upon increasing sales of our offerings to new and existing Enterprise Customers, which we define as customers contributing more than ₹ 8.00 million in revenue from operations in a Fiscal. These customers play a key role in our growth strategy but may present additional risks such as higher expectations, longer sales cycles, and greater negotiation leverage. Our results of operations depend in part on sales to Enterprise Customers. These customers also generally have multiple requirements for enhancing the consumer experience. Set forth below are details of our revenues derived from Enterprise Customers in the corresponding years:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from operations from Enterprise Customers	5,818.44	97.26%	5,125.64	97.61%	2,342.97	91.75%

Customer retention continues to be a pressing challenge across industries, with each sector experiencing unique pain points that hinder sustained engagement. Solving retention isn't just about solving churn—it's about building enduring, personalized relationships at scale, which may have an impact on the cost of customer retention. We have also expanded into new verticals in the last three Fiscals such as healthcare with an American healthcare company as our customer that provides technology services, CPG with Polycab India Limited ("**Polycab**") and an Indian adhesives manufacturing company and BFSI with a European bank offering financial services focused on supporting personal and business growth. Our transaction volumes with customers in new industry verticals generally start out lower and if such businesses do not grow, if we are unable to set our prices higher and if we are unable to increase our transaction volumes with such customers, we may not be able to recoup the costs of our growth strategy, which would adversely impact our business, results of operation, and financial condition. For instance, in Fiscal 2024, we entered into a five-year contract with a passenger airline company. For the first year, the annual license fee is fixed, regardless of the number of loyalty transactions. In the second and third years, the fee is fixed for up to five million transactions, with additional fees for any transactions beyond this threshold. For the fourth and fifth years, the fixed fee and minimum transaction commitment will be mutually agreed upon before the fourth year begins, based on the program's performance in the first three years.

In addition, for Enterprise Customers we face competition from other companies offering solutions that traditionally target Enterprise Customers, service providers, and government entities and that may have pre-existing relationships or purchase commitments from such customers. In addition, Enterprise Customers leverage increased purchasing power in negotiating contractual arrangements with us; require us to include more stringent requirements in our worldwide support contracts, such as stricter support response times and penalties for any failure to meet support requirements; and longer sales cycles, particularly during periods of economic slowdown which result in increased sales cycle and the associated risk that substantial time and resources may be spent on a potential customer that elects not to purchase our offerings. There have been instances in the past three Fiscals wherein we lost an Enterprise Customers. For instance, we lost three Enterprise Customers in Fiscal 2023, including a Switzerland based biotechnology company due to a combination of cost considerations and organizational changes, an established Indian shoe company which discontinued our services after transitioning to a different platform and a conglomerate in Vietnam which opted to build and use their own internal solution, consequently leading to a loss of revenue of ₹40.00 million, ₹35.10 million and ₹11.49 million, respectively, in Fiscal 2024. Further, we lost one Enterprise Customer each in Fiscal 2024 and 2025, including an ethnic wear clothing brand in India which discontinued our services after transitioning to a different platform leading to a loss of revenue of ₹9.19 million in Fiscal 2025 and an American children's magazine which disengaged from loyalty programs leading to a loss of revenue of ₹16.91 million in Fiscal 2026. While the afore-mentioned instances did not materially impact our financial condition, we cannot assure you that our business, financial condition and results of operations will not be adversely affected in the future due to such instances. Further, we may not be able to attract new customers for a variety of reasons, including as a result of their use of traditional approaches to customer relationship management, lack of willingness of customers to adopt loyalty programmes, internal timing or budget or the pricing of our products and solutions compared to products and services offered by our competitors. After a customer makes a decision to purchase or subscribe to our products, we also typically help them implement our platform and products within their organisation, including providing training and addressing their technological needs, and these processes in certain cases may involve significant onboarding time before we start recognizing revenue from such customers. See also, " – *Our success is dependent on our ability to develop and innovate our platform, products and solutions in a cost efficient and timely manner. Any failure to do so or inability of our products/solutions to satisfy our customers or perform as desired could adversely impact our business, results of operations, cash flows and financial condition.*" on page 47.

4. ***We have incurred losses of ₹593.78 million in Fiscal 2024 and ₹877.19 million in Fiscal 2023 and certain of our Material Subsidiaries have also incurred losses in the past and we may experience losses in the future which could result in an adverse effect on our business, cash flows and financial condition.***

Our Company and some of our Subsidiaries have incurred losses in the past and may experience losses in the future. The following table sets forth our losses on a consolidated basis and for our Material Subsidiaries for the years indicated:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million)		
Our Company and Subsidiaries, on a consolidated and restated basis			
Restated profit/ (loss) for the year (₹ million)	132.80	(593.78)	(877.19)
Profit/ (loss) of our Material Subsidiaries*			
Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC') ("CTL")	430.93	231.64	(57.17)
Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited) ("Capillary Europe")	25.85	(114.18)	N.A.**
Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc) ("Capillary Brierley")	(166.42)	(85.18)	N.A.**

**Sourced from the audited financial statements of Material Subsidiaries for the respective years.*
***Capillary Europe was acquired on April 1, 2023. Therefore, the financial information for Fiscal 2023 is not available. Capillary Brierley was acquired on April 1, 2023. Therefore, the financial information for Fiscal 2023 is not available.*
Note: Our other Material Subsidiary, namely Capillary Pte. Ltd., has not incurred losses in any of the last three Fiscals and thus has not been included in the above table.

Our loss was primarily on account of investments done during Fiscal 2023 and Fiscal 2024 primarily in our sales and marketing function to expand our presence in North America by acquiring new customers, along with increased investment in technology research, development and maintenance functions to expand our contribution from new industry verticals such as energy retail, consumer packaged goods, healthcare and BFSI and telecommunications.

Our technology research, development and maintenance cost as a percentage of revenue from operations increased during the said period as set forth below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Technology research, development and maintenance cost (₹ million) *	836.81	1,129.83	345.05
Technology research, development and maintenance cost, as a percentage of revenue from operations (%)	13.99%	21.52%	13.51%

** Includes cost towards maintenance of platform, software subscription and other tool charges in addition to research and development expenditure on employees and professionals engaged by us through third party agencies. The above represents the charge made to our Restated Consolidated Statement of Profit and Loss on account of the above, due to which our profitability was impacted for the respective Fiscals.*

Set forth below are certain details regarding our sales and marketing expenditure:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Sales and marketing expenses	1,089.23	18.21%	1,102.45	21.00%	610.06	23.89%

For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Results Of Operations For Fiscal 2025, 2024 And 2023*" on page 449.

While we have turned profitable in Fiscal 2025, our costs may increase over time and our losses may recur given that we expect to make investments towards growing our business and in product development. These efforts may be costlier than we expect and may not result in increased revenue or growth in our business. In order to improve profitability, we deployed a strategy to pivot our business to focus on Enterprise Customers and transition from lower margin, high service expectation customers, mid-market and small and medium-sized customers. However, any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from maintaining or increasing profitability or positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, cash flows, financial condition and results of operations could be adversely affected. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may incur significant losses in the future.

5. ***We have undertaken, and may continue to undertake strategic acquisitions, which we may fail to integrate efficiently and which may not perform in line with our expectations or may be prone to other contingencies.***

In the past, we have made acquisitions with the objective of expanding our service capabilities and gaining access to new customers. Further, as part of our growth strategy, we are focused on evaluating opportunities to grow through inorganic means. Set forth below are the acquisitions done by us in the last five years.

S. No.	Acquisition	Year of Acquisition	Region of Acquired Entity / Asset	Consideration (in million)	Consideration (₹ in million)	Acquisition Rationale
Persuade Group						
1.	Persuade Loyalty, LLC (*renamed to Capillary Technologies LLC*)	2021	USA	USD 15.00	1,076.25**	Persuade complements our product and service offerings and has enabled us to enter the US region
	Persuade Holdings, Inc.#	2021	USA	USD 10.90	782.08**	

S. No.	Acquisition	Year of Acquisition	Region of Acquired Entity / Asset	Consideration (in million)	Consideration (₹ in million)	Acquisition Rationale
B+P						
2.	Brierley & Partners, Inc. (*renamed to Capillary Brierley Inc.*)	2023	USA	USD 10.06	826.30[**]	To strengthen our presence in the North American market and enhance our consulting capabilities. B+P's brand recognition and expertise in loyalty strategy and design consulting complements our existing offerings.
3.	Brierley Europe Limited (*renamed to Capillary Technologies Europe Limited*)	2023	UK	USD 0.0001	0.0082[**]	Brierley has been recognised as a leader in the past by a research and advisory firm. Their loyalty consulting and design service offering also complemented our overall offerings and added to our product and service suite
Rewards+ Acquisition						
4.	Assets of Digital Connect business[^]	2023	UK and USA	USD 3.36	277.33[**]	To expand our Company's presence in the European Union market, for loyalty and customer engagement solutions, in addition to supplementing our product suite with the rewards and redemption platform
Kognitiv Group						
5.	Kognitiv[*]	2025	USA and Canada	CAD 17.28	1,026.95[$]	It is a well-established loyalty technology provider operating primarily in the North American market. Acquisition rationale was to operate Kognitiv Group's flagship loyalty platform independently while building feature parity and necessary enhancements into our own platform to ensure uninterrupted service for existing customers and enable a smooth transition.
				CAD 4.39	260.79[$]	
				CAD 2.33	138.58[$]	

** *Consideration paid in ₹ million are traced from our book of accounts at the time of acquisition, except the consideration paid for the acquisitions of Kognitiv.*
$ *Conversion rate used for the INR amounts for Kognitiv acquisitions is as of March 31, 2025 being the date of the Asset Purchase Agreement, i.e., 1 CAD = ₹59.43 (Source: www.x-rates.com),*
* *Kognitiv includes acquisition of shares of Kognitiv Solutions Inc., incorporated in Canada and assets consisting of business intellectual property rights of Loyalty Solutions Holdings US Inc. and certain assets and liabilities of Kognitiv US LLC with effect from May 1, 2025.*
^ *We developed a new product named Rewards+, utilising the assets of Digital Connect business acquired from Tenerity LLC.*
# *The entity was closed on June 2, 2023 on account of internal restructuring and there was no continuing business in the entity.*

These acquisitions complement and synergise with our existing product and service offerings, thereby providing us with new capabilities to serve our existing consumers and acquire new customers.
Further, the assets of Digital Connect business acquired from Tenerity LLC in June 2023 has given us entry into the EU market, a region with significant growth potential for loyalty and customer engagement solutions and the acquisition of Kognitiv in 2025 has enabled us to penetrate further in the North American market. For further information of such investments and acquisitions, see "*History and Certain Corporate Matters – Major events and milestones*" and "*Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years*" on pages 307 and 310, respectively. Some of these entities or businesses were loss making at the time of the acquisition and could drain our resources, if we

are unable to successfully grow these businesses in a profitable manner. Set forth below are the key financial parameters of the loss making companies acquired by us in the last three Fiscals.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million)		
Brierley & Partners, Inc. (*renamed to Capillary Brierley Inc.*)			
Revenue from operations	1,376.05	1,666.28	N.A.**
Profit/(loss) after tax for the year	(166.42)	(85.18)	N.A.**
Brierley Europe Limited (*renamed to Capillary Technologies Europe Limited*)			
Revenue from operations	917.23	679.12	N.A.**
Profit/(loss) after tax for the year	25.85	(114.18)	N.A.**

***Acquired in Fiscal 2023 and thus audited financial information for such Fiscal is not available.*

Further, *Anywhere Commerce+* as a product has been discontinued owing to the unsustainable scale of e-commerce operations as a result of competition from businesses in similar lines of business. Moreover, our digital business acquired through the Persuade Group acquisition has been discontinued in Fiscal 2025 pursuant to our focus on scaling enterprise-grade loyalty solutions. For more information please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Fiscal 2025 Compared To Fiscal 2024 - Discontinued Operations*" on page 454. Such instances in the future, could be very time-consuming, expensive and could divert our management's attention and other resources. While there have not been any past acquisitions, strategic alliances or investments by our Company or our Subsidiaries that have caused any disruption in their business, there can be no assurance that future acquisitions, strategic alliances or investments by our Company or our Subsidiaries will not result in any disruption to the business.

In the future, we may invest in additional businesses or acquire services/ businesses from entities that we believe could complement or expand our business. However, integrating the operations of these businesses successfully or otherwise realizing any of the anticipated benefits of such investments, including anticipated cost savings and additional revenue opportunities, involves a number of potential challenges. In the past there have been certain instances of challenges pursuant to certain acquisitions. For instance, the acquired customers might not agree to migrate due to the migration plans not being in accordance with the acquired customers' expectations and we have had instances in the past where one of our customers involved in affordable luxury jewellery business in North America acquired pursuant to an acquired entity has refused to migrate to our platform, thereby resulting in potential non-renewal of their contract with us, there can be no assurance we will be able to integrate our future acquisitions without any such difficulties. Also, we may be unable to continue acquiring new companies in a cost-efficient manner in the future and these activities may be time-consuming, and we may encounter unexpected difficulties or inefficiencies or incur unexpected costs, including: our inability to achieve the operating synergies anticipated; diversion of management attention from on-going business concerns to integration matters; unforeseen or undisclosed liabilities and integration costs; incurring liabilities from such businesses for infringement of intellectual property rights or other claims for which we may not be successful in seeking indemnification; failing to realize the potential cost savings or other financial benefits and/or the strategic benefits of the investment; and entry into unfamiliar markets.

Target businesses may have liabilities or adverse operating issues that we may have failed to discover through due diligence prior to the investment. In particular, to the extent that prior owners of any businesses or properties failed to comply with or otherwise violated applicable laws or regulations, or failed to fulfil their contractual obligations to customers, we, as the successor, may be financially responsible for these violations and failures and may suffer financial or reputational harm or otherwise be adversely affected. As a result, if we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, and we may incur costs in excess of what we anticipate. The failure to successfully integrate the operations or otherwise to realize any of the anticipated benefits of the investment/ acquisition could have an adverse effect on our business, results of operations, financial condition and cash flows.

6. ***Our success is dependent on our ability to develop and innovate our platform, products and solutions in a cost efficient and timely manner. Any failure to do so or inability of our products/solutions to satisfy our customers or perform as desired could adversely impact our business, results of operations, cash flows and financial condition.***

The attractiveness of our platform, products and solutions depends on our ability to innovate. To remain competitive, we must continue to develop and expand our product and service offerings. We must also continue to enhance and improve our data analytical capabilities, platform interface and technology infrastructure. We have in recent times dedicated a considerable amount of our research and development expenditure on machine learning and predictive AI-based technologies. For instance, our investments in aiRA, our AI research assistant, launched in May 2023 with subsequent releases and adoption covering functionalities like automated campaign setup, AI-powered filters that help our customers analyse and predict transactions, lapses, responses and time slots.

Set forth below are details regarding investment in research and design, product and platform development and maintenance in the last three Fiscals:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Investment in Research and Design, Product and Platform Development and Maintenance*	1,286.08	1,472.33	641.61
Investment in Research and Design, Product and Platform Development and Maintenance as a Percentage of Revenue from Operations (%)	**21.50%**	**28.04%**	**25.12%**

** Represents overall investment made by us in research and design, product and platform development and maintenance including investment in maintenance of platform, non manpower costs such as software subscription and other tool charges as well as manpower costs for research and design and product and platform development. The expenditure in relation to manpower cost for research and design and product and platform development through employees and professionals engaged by us through third party agencies is ₹ 507.86 million, ₹346.98 million and ₹ 270.65 million in Fiscals 2025, 2024 and 2023 respectively.*

These efforts may require us to develop internally, or to obtain license for, increasingly complex technologies. In addition, new products and services and technologies developed and introduced by competitors could render our products and services obsolete if we fail to upgrade existing products, services and technologies. While there have not been any such instances in the last three Fiscals where introduction of new products by our peers or rivals have led to our products being rendered obsolete, there have been instances where our products were rendered unsustainable. For instance, *Anywhere Commerce+* as a product is being discontinued owing to unsustainable scale of e-commerce operations due to competition from companies in the same industry, pursuant to which our Company has derecognized net carrying value of assets of ₹ 6.49 million in Fiscal 2025. There can be no assurance that such instances will not occur in future thereby rendering our products obsolete or unsustainable.

Developing and integrating new products, services and technologies into our existing platform and infrastructure may be expensive and time-consuming. Furthermore, any new features and functions may contain undetected errors and may not achieve market acceptance at introduction. The average time taken by us to develop new products varies based on the product. Further, we carry out continuous improvements to its existing products to release different versions and enhancements of such products. We may experience delays while developing and introducing new products and services for a variety of reasons, some of which may be beyond our control, such as difficulties in developing models, acquiring data and adapting to particular operating environments. While there have not been any instances in the last three Fiscals where there has been a delay in developing new products, there have been a few instances in the past where there have been delays in implementation of software, resulting in loss in revenue from contract with customers, particularly in cases where our revenues commence from the day where our customers' operations go-live. For instance, in Fiscal 2025 where delay in implementation of a software impacted the go-live date thereby resulting in loss in revenue from operations of ₹ 154.37 million in Fiscal 2025. We cannot assure you that such instances will not occur in the future. Further, if customer personnel are not well-trained in the use of our platform and products, customers may defer the deployment of our platform, products and services, may deploy them in a more limited manner than originally anticipated, or may not deploy them at all. In addition, once a product is developed, we make continuous enhancements to such products. We may not succeed in incorporating new technologies or may incur substantial expenses in order to do so. If we fail to develop, introduce, acquire or incorporate new features, functions or technologies timely and effectively, our products and services may lose appeal, be rejected or experience delayed acceptance by the market. Consequently, our business, financial performance and prospects could be materially and adversely affected.

In addition, if our customers do not use our platform and products as intended, it may result in inadequate performance or outcomes of our platform. It is possible that our platform and products may also be intentionally misused or abused by customers or their employees or third parties who obtain access and use of our platform and products. Our customers could misuse our Software as a Service ("**SaaS**") solutions by, among other things, transmitting negative messages or website links to harmful applications, sending unsolicited commercial email, reproducing and distributing copyrighted material without permission, reporting inaccurate or fraudulent data and engaging in illegal activity. Any such use of our suite of SaaS solutions could damage our reputation and could subject us to claims for damages, defamation, negligence or fraud. We rely on contractual representations made to us by our customers that their use of our SaaS solutions will comply with our policies and applicable law. While there have been a few instances with no financial impact in the last three Fiscals, we cannot assure you that such instances will not occur in the future or will not have financial impact. Corrective action taken by us included adding an additional layer of fraud detection rule engine which helped in detecting multiple entries of a single mobile number and also introduced a one-time password lead verification of mobile numbers. Even if claims asserted against us do not result in liability, we may incur substantial costs in investigating and defending against such claims, or our reputation may be damaged. If we are found liable in connection with our customers' activities, we could be required to pay fines or penalties, redesign our SaaS solutions or otherwise expend resources to remedy any damages caused by such actions and to avoid future liability.

7. ***We are significantly dependent on our employees for our business operations (including for design, development and maintenance of our products and platform, customer acquisition and retention) and we incur significant expenses in relation to meeting our obligations towards our employees. The loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.***

Our ability to compete in the highly competitive technology industry depends upon our ability to attract, motivate, and retain qualified personnel. The research, design, development and maintenance of our products and platform is heavily dependent on our engineers, product managers and data scientists for understanding client needs and delivering customised solutions, interpreting complex customer data and translating into strategies and driving innovation to deliver complex AI based solutions. Thus, our employees are central to our business where innovation is key. Set forth below are the details of our employee base and the attrition rate for our employees for the years indicated:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of employees**	678	627	539
Number of employees exited	129	131	137
Attrition Rate*	19.03%	20.89%	25.42%

**Attrition rate is calculated as number of employees who left during a specific period divided by the average number of employees during that period.*

***Represents numbers of employees as at the end of the Fiscal.*

The loss of the services of our key personnel and any of our other executive officers, and our inability to find suitable replacements, could result in a decline in sales, delays in product development, and harm to our business and operations. While we have a business succession policy to ensure availability of individuals to assume leadership roles in a time of need, mitigate risk associated with the loss of experienced leadership and to ensure that operations continue to run smoothly after the business' important people move on to new opportunities, retire or pass away, we cannot guarantee that we will be able to recruit and retain qualified and capable employees. We may incur significant costs to attract and recruit skilled personnel. Set forth below are the details of expenditure incurred by us towards our employee base in the last three Fiscals:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Employee Costs pertaining to Product and Platform Development (A) *	265.36	225.52	141.65
Employee Costs pertaining to Research and Design (B) ##	91.73	77.73	62.61
Other Employee Benefits Expense (C)	2,863.47	2,641.70	1,821.49
Total Employee Cost (A) + (B) + (C)	**3,220.56**	**2,944.95**	**2,025.75**
Total Employee Cost as a Percentage of Revenue from Operations (%)	***53.83%***	***56.08%***	***79.33%***

** Excludes product and platform development expenditure on professionals engaged by us through third-party agencies*

Excludes research and design expenditure on professionals engaged by us through third-party agencies.

Given how we have expanded and with the introduction and amendment of various labour and employment related legislations that apply to our operations, our employee benefit expenses may increase in future. For further information, see "*Key Regulations and Policies*" and "*Key Regulations and Policies - Laws Applicable to our Material Subsidiaries*" on pages 294 and 300. Any increase in our employee benefit expense without a corresponding increase in our revenues could have an adverse impact on our business, financial condition, results of operations and cash flows. Further, as we continue to expand our operations and also move into new geographies, we will need to attract and recruit skilled personnel in those geographic areas, but it may be challenging for us to find the right resources at efficient cost and compete with traditional local employers in these regions for skilled talent. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be adversely affected.

8. *We rely on third-party service providers including data centers and cloud computing providers, and any interruption or delay in service from these facilities could impair the delivery of our products and adversely impact our business and results of operations. Further, any increase in fee charged by such service providers may have an adverse impact on our profitability.*

Our technology infrastructure is built on a scalable, cloud-based architecture that allows our customers to process large volumes of data on a real-time basis and ensure high-speed, secure and stable performance on a large scale to accommodate and support the increased complexity and diversity of their business operations. Thus, adequate performance of the cloud infrastructure is key for our operations. We rely on external service providers to provide us cloud native services. We, from time to time, enter into private pricing agreements and arrangements with technology service providers for the provision of technology and cloud infrastructure services. For instance we through one of our Material Subsidiaries, Capillary Pte. Ltd have executed two private pricing addendums, with a prominent third-party cloud infrastructure provider ("**Service Provider**") each dated September 22, 2023 one of which was amended through an amendment agreement dated October 30, 2024, ("**Technology Agreements**"), for a period of five years from October 1, 2023 until September 30, 2028, pursuant to which we have made the following annual spend commitment ("**Annual Commit**"):

Particulars	Contract year				
	October 1, 2023 to September 30, 2024	October 1, 2024 to September 30, 2025	October 1, 2025 to September 30, 2026	October 1, 2026 to September 30, 2027	October 1, 2027 to September 30, 2028
Spend Commitment (in USD million)	2.68	2.68	2.68	2.68	2.68
Spend Commitment (in ₹ million)	229.03	229.03	229.03	229.03	229.03

* *For the purposes of these estimations, a conversion rate of 1 USD = ₹85.46 as on March 31, 2025 has been considered.*

The table below sets out the software and server charges, including our server, software and other tool charges paid to various external service providers for Fiscals 2025, 2024 and 2023, respectively, on a consolidated basis:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	% of total expenses	Amoun t (in ₹ million)	% of total expenses	Amount (in ₹ million)	% of total expenses
Server charges*	578.59	10.85%	488.47	9.10%	248.62	7.66%
Software and other tool charges**	343.26	6.44%	447.37	8.33%	50.09	1.54%
Software and server charges	**921.85**	**17.29%**	**935.84**	**17.43%**	**298.71**	**9.20%**

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.
* *includes cost towards cloud servers that our technology infrastructure is built on.*
** *includes cost towards software and other tools used for service delivery to customers.*

For details, see "*Restated Consolidated Financial Information*" on page 367.

Any increase in the charges levied by external service providers could impact our profitability. Further, given that we serve our clients from third-party data centers and cloud computing providers located around the world, some of these facilities may be located in areas prone to natural disasters and may experience events such as earthquakes, floods, fires, severe weather events, power loss, computer or telecommunication failures, service outages or losses, and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct or cybersecurity issues, human error, terrorism, improper operation, unauthorized entry and data loss. In the event of significant physical damage to any of these data centers, it may take a significant period of time to achieve full resumption of our services, and our disaster recovery planning may not account for all eventualities. In addition, such third-party services and/or products may cause errors or defects in, or failures of, the services or solutions we provide. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the data centers that we use. Although we carry business interruption insurance, it may not be sufficient to compensate us for the potentially significant losses, including the potential harm to the future growth of our business that may result from interruptions in our services or products.

Any impairment of our or our clients' data or interruptions in the functioning of our offerings, whether due to damage to, or failure of, third-party data centers and cloud computing providers, may reduce our revenue, result in significant fines, cause us to issue credits or pay penalties, subject us to claims for indemnification and other claims, litigation or disputes, result in regulatory investigations or other inquiries, cause our clients to terminate their subscriptions and adversely affect our reputation, renewal rates and our ability to attract new clients. Further, while we have not experienced any termination of our arrangement with our third-party data centers in the past, we cannot assure you that this will not happen in the future. If for any reason our arrangement with one or more of the third-party data centers we use is terminated, we could incur additional expense in arranging for new facilities and support. In addition, the failure of the data centers to meet our capacity requirements could result in interruptions in the availability of our SaaS solutions or impair the functionality of our SaaS solutions, which could adversely affect our business. Our business operations will also be adversely effected if our existing and potential clients believe our services are unreliable or not secure.

9. *If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our customers' data or our data, our platform and products may be perceived as not being secure, our reputation may be harmed, demand for our platform and products may be reduced and we may incur significant liabilities.*

We collect, manage, store, transmit and otherwise process vast amounts of data including personally identifiable information ("**PII**") as part of our business and operations and manage our data through third-party data centres that we use. We have in the past, in Fiscal 2019 been subject to phishing and malware attacks on our erstwhile Anywhere Commerce+ platform. While these attacks have not resulted in any adverse impact on our Company or resulted in any financial impact, they have resulted in service downtime. We may, in the future, continue to be subject to cybersecurity attacks by third parties or internally seeking unauthorised access to our data or to disrupt our ability to provide our platform and products.

While we have taken steps to protect the security of the information that we handle, including having a cyber security policy which contains a data recovery plan and a cyber liability insurance, ensuring that our operations are ISO certified and PCI and SOC II compliant, there can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. Our security measures or those of our third-party service providers could fail and result in unauthorised access to or use of our platform and products or unauthorised, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our or our customers' data. A substantial portion of our business is with Enterprise Customers, who often require particular focus on data security, protection and privacy issues, and any actual or perceived cybersecurity breach or other security incident may have an especially large impact on the attractiveness of our platform and products to our customer base.

In addition, computer malware, computer hacking, fraudulent use, social engineering (such as, spear phishing attacks), ransomware, credential stuffing, denial of service attacks, supply chain attacks, and general malicious activity have become more prevalent, and such incidents or incident attempts may occur in the future. Any actual or perceived failure to maintain the performance, reliability, confidentiality, integrity, and availability of our platform and products to the satisfaction of our customers may harm our reputation and our ability to retain existing customers and attract new customers.

Customers who lose confidence in the security of our platform and products as the result of an actual or perceived cybersecurity breach or other security incident may curtail or stop using our services, which may cause our reputation to suffer or result in widespread negative publicity. Additionally, we may incur significant harm including legal and regulatory exposure, including governmental or third-party lawsuits, disputes, investigations, orders, regulatory fines, penalties for violation of applicable laws or regulations or other liabilities and negative financial impacts, which may have a material adverse effect on our business, results of operations and financial condition. In addition, we are also subject to onerous data protection and privacy laws such as the General Data Protection Regulation ("**GDPR**") as well as other international and local regulations in these jurisdictions, breaches of which could cause significant losses and penalties adversely affecting our business, results of operations and financial condition. For further information, see " – *We are subject to various Indian and international laws and regulations regarding privacy and data security, and we or our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any* *failure to comply with these laws and regulations could impose significant penal burden and could adversely impact our business and results of operations*." on page 53.

10. ***A majority of our revenues are dependent on a limited number of industry verticals. Customers in retail, healthcare, BFSI and telecommunications verticals contributed to 64.08%, 56.60% and 50.19% of our revenue from operations in Fiscals 2025, 2024 and 2023 respectively. Any decrease in demand for services in these industry verticals could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.***

A substantial portion of our customers are concentrated in the retail, healthcare and BFSI and telecommunications verticals. Our business is therefore largely dependent on the demand for our services from customers in these industries. The following table presents the contribution by vertical in the relevant years:

Industry	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Revenue (₹ million)	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**
Retail	1,687.94	28.21%	1,933.79	36.83%	1,150.13	45.04%
Healthcare	1,212.75	20.27%	375.74	7.16%	131.40	5.15%
BFSI and Telecommunications	932.97	15.60%	662.39	12.61%	-	-
Consumer Packaged Goods	635.18	10.62%	484.70	9.23%	293.91	11.51%
Travel, Automobile and Hospitality	588.15	9.83%	652.12	12.42%	99.18	3.88%
Energy Retail	428.96	7.17%	513.10	9.77%	469.20	18.37%
Conglomerate	418.73	7.00%	527.80	10.05%	305.27	11.95%
Food and beverages	77.91	1.30%	101.35	1.93%	104.63	4.10%
Total Revenue From Operations	**5,982.59**	**100.00%**	**5,251.00**	**100.00%**	**2,553.72**	**100.00%**

A downturn in the retail sector, a slowdown or reversal of the trend to outsource customer relationship management ("**CRM**") or loyalty management services or the introduction of regulations that restrict companies from engaging external vendors could result in a decrease in the demand for our services and adversely affect our business, results of operations, financial condition, and cash flows. Additionally, as of March 31, 2025, our healthcare vertical comprises seven customers, and loss of any single customers or decrease in demand of our services from any customer in the healthcare vertical could adversely affect our business, results of operations, financial condition, and cash flows. Fragmented care journeys, complex insurance, and rising expectations challenge loyalty (*Source: Zinnov Report*) in the healthcare vertical could adversely affect our business.

External risks such as global pandemics could also adversely affect the industry verticals that we operate in. For instance, we extended increased discounts to certain of our customers across verticals on account of the COVID-19 pandemic in Fiscal 2022 and 2021, amounting to ₹ 5.82 million in Fiscal 2022 million and ₹ 82.54 million in Fiscal 2021. Further, our customers may experience rapid changes in their prospects, substantial price competition and pressure on their financial condition and results of operations. This, in turn, may result in increasing pressure on us from customers in these key industries to provide additional discounts, which could adversely affect our business, results of operations, financial condition, and cash flows.

11. ***We are exposed to credit risk from our customers and the recoverability of our trade receivables is subject to uncertainties.***

We typically allow a credit period on payment terms of up to 90 days to our customers who enter into contracts in relation to our platform and solutions, and are therefore exposed to credit risk from our customers. Set forth below are certain details regarding our trade receivables, and provision for doubtful trade receivables and advances:

Particulars	**Fiscal 2025**	**Fiscal 2024**	**Fiscal 2023**
Revenue from Operations (A)	5,982.59	5,251.00	2,553.72
Trade Receivables (₹ million) (B)	1,611.21	1,456.51	801.11
Unbilled Revenue (₹ million) (C)	274.51	332.00	124.44

Trade Receivable excluding Unbilled Revenue (₹ million) D=(B-C)	1,336.70	1,124.51	676.67
Trade Receivables (as Percentage of Revenue from Operations) (%) E=(B/A)	26.93%	27.74%	31.37%
Trade receivable turnover days F=(D/A*365)	82	78	97
Expected credit loss allowance	128.28	53.33	10.53
Expected credit loss allowance, as a percentage of revenue from operations (%)	2.14%	1.02%	0.41%

The decrease in trade receivable days was primarily due to shorter payment terms being agreed upon either during contract renewals or when signing new customers. We also have a Board approved policy with respect to provisioning of aged receivables for managing and accounting for potential losses from overdue accounts, maintaining financial accuracy and transparency. In the event we are unable to collect receivables, it could impact our working capital cycle and increase our working capital requirements, which could have a negative impact on our financial condition, results of operations and cash flows. Further, if any of our customers declare bankruptcy, they may terminate their agreements with us, or we may not be able to recoup the full payment of fees owed to us. For instance, due to bankruptcy declared by our customer in North America engaged in apparel retail in Fiscal 2024, we have not been able to recover the entire fees owed to us resulting in non-recovery of ₹ 79.91 million of trade receivables. We cannot assure you that our business, financial condition and results of operations will not be adversely affected in future on account of similar instances.

A customer's ability to make payments on a timely basis depends on various factors such as general economic and market conditions and the customer's cash flow position, which are out of our control. We have experienced delays and non-recovery in the past three Fiscals, in receiving payments from our customers. While in certain cases we have served legal notices wherein we received the dues post sending the notices, in certain cases it has not been effective. There is no assurance that our customers will pay us on a timely basis or at all, which may adversely affect the recoverability of our trade receivables, or that we will be able to efficiently manage our provision for bad and doubtful debts and such instances in the future may adversely affect our cash flow position and our ability to meet our working capital requirements. Under certain agreements with our customers, contractually, we have the right to invoke breach of contract on delayed payments but have avoided doing this in light of our customers' inability to pay due to their business issues. Defaults in making payments to us on projects for which we have already incurred significant costs and expenditures can materially and adversely affect our results of operations and reduce our financial resources that would otherwise be available for other purposes. In the event we are unable to recover such payments, our business, financial condition and results of operations could be adversely affected.

12. ***We are subject to various Indian and international laws and regulations regarding privacy and data security, and we or our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure to comply with these laws and regulations could impose significant penal burden and could adversely impact our business and results of operations.***

In our processing of transactions, we receive and store a large volume of personally identifiable data. This data is increasingly subject to legislations and regulations such as the Indian Information Technology Act, 2000 ("**IT Act**"), as amended, which would subject us to civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offences including from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information that we possess in our computer systems, networks, databases and software. The IT Act also imposes stringent punishment, including imprisonment in case a person (including an intermediary), while providing services as per a contract, accesses, reveals or discloses personal information about another individual in violation of the contract or without consent of such other individual, knowing it will cause wrongful loss or wrongful gain.

The Department of Information Technology, Ministry of Electronics and Information Technology ("**MEITY**"), Government of India has also implemented other privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**"), which impose limitations and restrictions on the collection, use and disclosure of personal information. It also mandates body corporates to adopt a privacy policy, to obtain consent from data subjects for collecting or transferring their sensitive personal data or information and intimate them about recipients of such collected data, as a mechanism of establishing a robust security standard. Additionally, the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediary Rules**") requires intermediaries (respectively) receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediary Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

In the European Union, the GDPR, requires companies to implement and remain compliant with regulations regarding the handling of personal data, including its use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. We are currently in compliance with the GDPR of the European Union which helps us remain compliant with major privacy regulations worldwide, to the extent applicable to the Company in relation to its business. The EU has proposed the Regulation on Privacy and Electronic Communications, which, if adopted, would impose new obligations on the use of personal information in the context of electronic communications, particularly with respect to online tracking technologies and direct marketing. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, such as the Federal Trade Commission ("**FTC**"), and various state, local and foreign agencies. Our data handling also is subject to contractual obligations and industry standards. The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use and storage of data relating to individuals, including the use of contact information and other data for marketing, advertising and other communications with individuals and businesses. In the United States, various laws and regulations apply to the collection, processing, disclosure and security of certain types of data. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination and security of data. Additionally, with our acquisition of Optum as a customer, we are also required to comply with Health Insurance Portability and Accountability Act ("**HIPAA**"), a 1996 US legislation establishing federal standards protecting sensitive health information from disclosure without patient's consent.

Other countries in Asia, Europe and Latin America have passed or are considering similar privacy regulations, resulting in additional compliance burdens and uncertainty as to how some of these laws will be interpreted. Any liability we may incur for violation of such laws and regulations and related costs of compliance and other burdens may adversely affect our business and profitability. While there have not been any instances in the past three Fiscals, of incurring liability for violation of applicable laws in Asia, Europe and Latin America, we could be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations or financial condition. Further, any new geographies we enter into could subject us to additional regulatory requirements and any failure to comply with such requirements could adversely impact our business and results of operations.

Further, the DPDP Act, a comprehensive legal framework governing digital personal data protection in India, received the assent of the President on August 11, 2023. The DPDP Act, has replaced the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data and the need to process personal data for lawful purposes and matters incidental thereto. The DPDP Act imposes obligations on us including that personal data may be processed only for a lawful purpose after obtaining the consent of the data principal to whom the personal data relates, or for certain legitimate uses. A notice must be given before seeking consent. The consent obtained shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose. The Indian Ministry of Electronics and Information Technology, Government of India has also released the Draft Digital Personal Data Protection Rules, 2025 ("**Draft DPDP Rules**") for public consultation. The Draft DPDP Rules regulate the processing of personal data in India, ensuring that the privacy rights of individuals are protected. If these or similar legislation are enacted, we may incur additional compliance costs, it may affect us in ways that we are currently unable to predict and our business, results of operation and financial condition may be adversely affected.

While we are currently in compliance with the provisions of the aforementioned laws and other applicable laws in relation to data security and privacy, to the extent applicable to our operations, there can be no assurance that we will be in compliance with such laws in the future. Further, while we are ISO 27001:2013 certified for information security management system and PCI DSS certified for all customer servicing, internal processes and technologies and SOC 2 Type 2 Attested for the CRM and Loyalty services, we cannot assure you that we will always be able to obtain required certifications and accreditations in future. For further details, see "*Our Business – Data Protection and Cybersecurity*" on page 286. For more details in relation to the other key statutes, rules, and regulations regarding privacy and data security applicable to us, please refer to "*Key Regulations and Policies*" on page 294.

While we are currently compliant with applicable global and Indian laws related to information technology space, any failure, or perceived failure, by us to comply with our privacy policies or any applicable regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business model or practices, increase our costs and severely disrupt our business. As we expand our operations, we may be subject to additional laws in other jurisdictions where our users and business partners of our platform are located. The laws, rules and regulations of other jurisdictions may impose on us more stringent or conflicting requirements with harsh penalties for non-compliance than those in India, and the compliance with such requirements could require significant resources and result in substantial costs, which may materially and adversely affect our business, financial condition, results of operations and prospects.

13. *Our inability to effectively execute our growth strategy could have an adverse effect on our business, results of operations and financial condition.*

We have demonstrated consistent growth and operational efficiency, driven by our strategic initiatives and a strong market presence. We have experienced, and may continue to experience, rapid growth and organisational change, which has placed, and may continue to place, significant demands on our management, operational and financial resources. In addition, we operate globally and enter into contracts related to our platform and products. We plan to continue to expand our international operations into other countries and in particular into the North America and Europe in the future, which will place additional demands on our resources and operations. We have also experienced significant growth in the number of enterprises, end users, transactions and amount of data that our platform, product offerings and associated hosting infrastructure support.

The table below sets forth certain financial and operational information for the years indicated:

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ million except for percentages)		
Revenue from operations (₹ million)	5,982.59	5,251.00	2,553.72
Net Revenue (1) (₹ million)	5,982.59	4,833.97	2,070.86
Net Revenue Growth(2) (%)	23.76%	133.43%	51.69%
EBITDA(3) (₹ million)	785.73	(14.91)	(583.39)
EBITDA Margin (4)	13.13%	(0.28)%	(22.84)%
ARR(5) (₹ million)	6,083.33	5,460.07	2,536.03
New ACV(6) (₹ million)	1,223.59	1,145.92	578.65
Net Revenue Retention ("**NRR**") Rate(7) (%)	121.25%	112.68%	139.01%
Consumers on Platform(8) (billion)	1.26	1.13	0.97
Transactions Processed(9) (million)	7.50	6.31	5.03

Notes:

1. *Net Revenue is computed as Revenue from operations less cost of campaign services.*
2. *Net Revenue Growth (%) is calculated as a percentage of Net Revenue of the relevant year minus Net Revenue of the preceding year, divided by Net Revenue of the preceding period/ year.*
3. *EBITDA refers to Earnings before interest expense, taxes, depreciation and amortisation and Exceptional Items as disclosed in our Restated Financial Statements.*
4. *EBITDA Margin (%) is computed as percentage of EBITDA divided by Revenue from operations for the respective Fiscal.*
5. *ARR refers to Aggregate of all Net Revenue from the most recent quarter multiplied by 4. Annual Recurring Revenues refers to the active recurring contract values over a 12 month period.*
6. *New ACV refers as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services.*
7. *NRR rate is computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by Net Revenue generated from the same customers in the previous Fiscal multiplied by 100.*
8. *Consumers on platform refers to number of consumers on our platform with a unique mobile number or personal identifiable information on the platform as at the end of the Fiscal.*
9. *Transactions processed refers to the number of invoices or transactions that have been processed by our platform for our customers in a Fiscal.*

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies include, developing new features and solutions, expanding our client base, and expanding our presence geographically.

In recent years, our focus has been to improve our NRR and become profitable. In order to improve profitability, we deployed a strategy to pivot our business to focus on Enterprise Customers and transition from lower margin and high service reliant customers. We have maintained a robust NRR from existing customers. Our NRR rate i.e., ability to retain existing customers and expand revenue from those same customers over time was 121.25%, 112.68% and 139.01% for Fiscals 2025, 2024 and 2023, respectively. For further information, see "*Our Business – Strategies*", "*Our Business – Our Growth Path*" and *"Management Discussion and Analysis of Financial Condition and Results of Operation – Management's Discussion and Analysis of Financial Conditions and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Ability to improve gross margins, profitability and sales efficiency*" on pages 273, 253, and 426, respectively. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities, demands and trends in the industry, develop features and solutions that meet our clients' requirements, compete with existing companies in our markets, consistently exercising effective quality control, and hire and train qualified personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Further, as we expand our operations, enter new markets and regions and attempt to increase revenue generated from our existing customers, we may be unable to manage our business and/or retain existing customers efficiently, which could result in decreased NRR and affect the quality of our services, and may adversely affect our reputation. Such expansion also increases the challenges involved in developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems, recruiting, training and retaining management, technical and marketing personnel in the relevant geographies.

Our business growth could be a strain on our resources. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

14. *If we are unable to develop and maintain successful relationships with partners or if we fail to effectively expand our sales and marketing relationships, we may not be able to increase our customer base and achieve broader market acceptance of our SaaS solutions and our business, operating results, cash flows and financial condition could be adversely affected .*

We have been primarily dependent on our direct sales force to sell subscriptions to our platform and services. In addition, we have a network of regional and global partners which we work with to align go-to-market initiatives and deliver value to our customers. However, our reliance on these partners for new business can be unpredictable, as we are required to ensure delivery and customer relationships. Additionally, our partners who do not have an exclusive relationship with us, may also choose to work with our competitors.

In addition, we have also entered into agreements with certain marketing agents whereby we pay marketing agents amounts based on the referrals generated by such agents. Set forth below are details of commission and advisory paid to sales channel partners and advisors:

Particulars	**Fiscal**					
	2025		**2024**		**2023**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Commissions and advisory fees paid to sales channel partners and advisors	37.90	0.63%	25.64	0.49%	19.98	0.78%

While there have been no instances of default or failure to comply with obligations under our agreements by the marketing agents/partners, there can be no assurance that such marketing agents will be able to secure additional business for us which could have an adverse impact on our results of operations, cash flows and financial condition. Additionally we cannot assure that there will be no discrepancies regarding the interpretation of obligations under the agreements with these marketing agents or partners.

We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with additional partners that can drive substantial revenue. If we fail to maintain our relationship with our current partners or identify additional partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future partners in independently selling and deploying our products, our business, results of operations, and financial condition could be adversely affected. They may also cease marketing our platform with limited or no notice and with little or no penalty. Additionally, customer retention and expansion attributable to customers acquired through our partners may differ significantly from customers acquired through our direct sales efforts. Further, if our partners do not effectively market and sell our products, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

Increasing our customer base and achieving broader market acceptance of our suite of SaaS solutions will depend on our ability to expand our sales and marketing teams and their capabilities to obtain new customers and sell additional products and services to existing customers. As of March 31, 2025, 2024, 2023, our sales team comprised 12, 17 and 12 professionals. We believe there is significant competition for direct sales professionals with the skills and technical knowledge that we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future. Our ability to achieve future revenue growth will depend on our success in recruiting, training and retaining sufficient numbers of direct sales professionals. We have a 'Recruitment Process Document' that sets out internal processes to be followed by our Company in relation to the recruitment process from selection of external resources till they join our Company. New and planned hires require significant training and time before they become fully productive, and may not become as productive as quickly as we anticipate. Our growth prospects may be adversely impacted if our efforts to expand, train and retain our direct sales team do not generate a corresponding significant increase in revenue.

15. *Our Company, certain of our Subsidiaries, and our Directors are involved in outstanding legal proceedings. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.*

The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" on page 471 involving our Company and our Subsidiary.

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Promoters, our Directors, our Key Managerial Personnels, our Senior Management and our Group Company as on the date of this Draft Red Herring Prospectus is provided below:

Name of Entity[(1)]	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchange against a promoter in the last five fiscals	Material civil litigation	Aggregate amount involved* (₹ million)
Company						
By our Company	NIL	NA	NA	NA	NIL	NIL
Against our Company	NIL	3	NIL	NA	NIL	NIL
Subsidiaries						
By our Subsidiaries	NIL	NA	NA	NA	NIL	NIL
Against our Subsidiaries	NIL	4	NIL	NA	NIL	7.12
Directors						
By our Directors	NIL	NA	NA	NA	NIL	NIL
Against our Directors	4	NIL	NIL	NA	NIL	NIL
Promoters						

Name of Entity[1]	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchange against a promoter in the last five fiscals	Material civil litigation	Aggregate amount involved* (₹ million)
By our Promoters	NIL	NA	NA	NA	NIL	NIL
Against our Promoters	NIL	NIL	NIL	NIL	NIL	NIL
Key Managerial Personnels						
By our Key Managerial Personnels	NIL	NA	NA	NA	NA	NA
Against our Key Managerial Personnels	NIL	NA	NIL	NA	NA	NA
Senior Management						
By our Senior Management	NIL	NA	NA	NA	NA	NA
Against our Senior Management	NIL	NA	NIL	NA	NA	NA

[1] There is no pending litigation involving our Group Company which will have a material impact on our Company.
** To the extent quantifiable.*

There can be no assurance that these legal proceedings will be decided in our favour or in favour of our Subsidiaries and our directors. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

Further, certain members of our Promoter Group may be involved in legal proceedings. While none of the members of Promoter Group are involved in our business operations, any matter, specifically regulatory matters, which are not decided in their favour may have an impact on our reputation on account of us being associated with the said entities. For instance, one of the members of our Promoter Group, Gowthami Agro Industries Private Limited, has received a notice seeking information regarding its business operations, issued by a special investigations team constituted by the Government of Andhra Pradesh in connection with the liquor policy implemented by the erstwhile Government of Andhra Pradesh in October 2019. While the said matter does not have any direct impact on us, any unfavourable development in the said matter could impact the reputation of our Promoter Group and our Company.

16. *We changed our business model for campaign services in Fiscal 2025. Accordingly, there are certain differences in the manner in which revenue from campaign services has been recognized in the Restated Consolidated Statement of Profit and Loss for Fiscal 2024 and Fiscal 2023 as compared to Fiscal 2025.*

During Fiscal 2025, we changed our business model for campaign services and entered into new arrangements with our service providers pursuant to which, we act as an agent and not as a principal for campaign services transactions. Accordingly, the revenue generated from campaign services during Fiscal 2025 has been recorded on a net basis (i.e., net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from cost of campaign services was recognized on a gross basis as we acted as principals for campaign services transactions. Accordingly, the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss for the said Fiscals. As a result of this change in business model for Fiscal 2025, our Restated Consolidated Statement of Profit and Loss for Fiscal 2024 and Fiscal 2023, are not comparable and should not be misinterpreted to this extent with our Restated Consolidated Statement of Profit and Loss in Fiscal 2025. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Consolidated Financial Information – Note 23*" on pages 423 and 396.

17. ***If we fail to integrate our offerings with a variety of operating systems, software applications and hardware that are developed by others, our service may become less marketable and less competitive or obsolete, and our operating results would be harmed.***

Our success depends on the inter-operability of our platform and solutions with third-party operating systems, applications, data and devices that we have not developed and do not control. If we fail to integrate our offerings with a variety of operating systems, software applications and hardware that are developed by others, our service may become less marketable and less competitive or obsolete, and our operating results would be harmed.

Changes in such operating systems, applications, data or devices that degrade the functionality of our platform or solutions or give preferential treatment to competitive software could adversely affect the adoption and usage of our platform. We may not be successful in adapting our platform or solutions to operate effectively with these applications, data or devices. If it is difficult for our customers to access and use our platform or solutions, or if our platform or solutions cannot connect a broadening range of applications, data and devices, then our customer growth and retention may be harmed, and our business and operating results could be adversely affected.

Enterprise cloud deployments utilize multiple third-party platforms and technologies, and these technologies are updated to new versions at a rapid pace. As a result, we deliver frequent updates to our solutions designed to maintain compatibility and support for our customers' changing technology environments and ensure our solutions' ability to continue to monitor the customer's applications. If our solutions fail to work with any one or more of these technologies or applications, or if our customers fail to install the most recent updates and versions of our solutions that we offer, our solutions will be unable to continuously monitor our customer's critical business applications. We typically face such incidents at the time of integrating our offerings with our customers' IT infrastructure. While there have not been any instances of non-integration of our products, systems or applications with third party operating systems in the past three Fiscals, there can be no assurance that such instances will not occur in future.

Ensuring that our solutions are up-to-date and compatible with the technology and enterprise cloud platforms utilized by our customers is critical to our success. We work with technology and cloud platform providers to understand and align updates to their product roadmaps and engage in early access and other programs to ensure compatibility of our solutions with the technology vendor's generally available release. If our relations with our technology vendors cease, we may be unable to deliver these updates, or if our customers fail to install the most recent updates and versions of our solutions that we offer, then our customers' ability to benefit from our solution may decrease significantly and, in some instances, may require the customer to de-install our solution due to the incompatibility of our solution with the customer's applications. Accordingly, customers may choose to terminate or cancel their subscription, which could have an adverse impact on our results of operations, prospectus, cash flows and financial condition.

18. ***We have had negative cash flows (including cash flows generated from our operating activities) in the recent past and may, in the future, experience similar negative cash flows.***

We have experienced negative cash flows from operating activities in Fiscal 2025 and Fiscal 2023. The following table sets forth information relating to our cash flows in the last three Fiscals:

Particulars	Fiscal		
	2025	2024	2023
	(₹ million)		
Net cash (used in)/ generated from operating activities	(461.99)	971.35	(200.58)
Net cash generated from / (used in) investing activities	635.78	(1,845.25)	(936.19)
Net cash generated from financing activities	132.59	2,177.61	1,365.72

Negative cash flows from operating activities in Fiscal 2023 and Fiscal 2025 were on account of negative working capital changes. The working capital adjustments of ₹ (1,263.90) million in Fiscal 2025 were primarily on account of decrease in non-current and current other financial liabilities. This was largely driven by a reduction in contract liabilities - deferred revenue by ₹ 575.92 million due to annual upfront billing to a customer in the last quarter of Fiscal 2024. The working capital adjustment of ₹ (294.88) million in Fiscal 2023 were primarily on account of increase in trade receivables by ₹ 289.29 million, primarily due to accumulation of certain receivables falling due in the next fiscal in accordance with contractual billing schedules.

For further information, see "*Management Discussion and Analysis of Financial Condition and Results of Operation – Management's Discussion and Analysis of Financial Conditions and Results of Operations – Cash Flows*" on page 459.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. We cannot assure you that our net cash flows will be positive in the future. If we experience negative cash flows in the future, our results of operations may be adversely affected.

19. *There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.*

We are required to pay certain statutory dues including provident fund contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, employee state insurance contributions ("**ESIC**") under the Employees' State Insurance Act, 1948, profession tax, property tax, tax deduction at source ("**TDS**"), labour welfare fund and GST. The table below sets forth the details of the statutory dues paid by our Company.

Nature of Payment	Fiscal year 2025				Fiscal year 2024				Fiscal year 2023			
	No. of employees[3]	Total dues (₹ in million)	Paid[1] (₹ in million)	Unpaid (₹ in million)	No. of employees[3]	Total dues (₹ in million)	Paid[1] (₹ in million)	Unpaid (₹ in million)	No. of employees[3]	Total dues (₹ in million)	Paid[1] (₹ in million)	Unpaid (₹ in million)
Provident fund[2]	534	25.06	25.06	Nil	477	23.41	23.41	Nil	436	21.20	21.20	Nil
Profession Tax	539	1.15	1.15	Nil	477	1.10	1.10	Nil	440	1.02	1.02	Nil
Tax Deducted at Source on Salary	425	247.15	247.15	Nil	393	323.07	323.07	Nil	352	188.54	188.54	Nil
Tax Deducted at Source other than on Salary	NA	54.38	54.38	Nil	NA	56.35	56.35	Nil	NA	62.24	62.24	Nil
Labour Welfare Fund	526	0.03	0.03	Nil	466	0.03	0.03	Nil	429	0.03	0.03	Nil
Goods and Service Tax	NA	132.81	132.81	Nil	NA	146.25	146.25	Nil	NA	171.32	171.32	Nil

(1) Statutory dues pertaining to the month of March which were outstanding as of March 31 of each year have been paid subsequently within the applicable due dates.

(2) Total number of employees for whom provident fund was deducted and paid includes employees joined during that year.

(3) The difference in the count of provident fund, profession tax, tax deducted at source from salary and labour welfare employees each year is primarily due to differences in threshold limit of employees' salaries.

The table below provides details of statutory dues in relation to which there have been delays by our Company in the years indicated:

Statutory dues	Fiscal	Number of instances of delay	Number of employees covered	Amount payable (₹ in million)	Amount paid on time (₹ in millions)	Amount delayed which has been paid[(1)] (₹ in millions)	Unpaid dues (₹ in millions)	Interest/ penalty paid (₹ in millions)
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	2023	9	436	23.86	21.20	2.66	Nil	Nil
	2024	3	477	23.44	23.41	0.03	Nil	Nil
Income Tax Act, 1961 (TDS)	2023	1	352	205.34	188.54	16.80	Nil	Nil

(1) *The delay is attributable to (i) due to non-fulfilment of requirements related to liking of employees' Aadhar number with the employees' provident fund records or instances where the employee has not updated his/her Aadhar number in the provident fund records and (ii) due to oversight in certain instances.*

We cannot assure you that we will not be subject to penalties and fines in the future for delays in payment of statutory dues, which may have an adverse impact on our business, results of operations, financial condition and cash flows. Further, there have been certain instances of delays in the payment of gratuity amount in past three Fiscals. We cannot assure that such instances will not occur in future and will not have a material adverse impact on our financial condition and results of operations.

20. ***We have witnessed delays in repayment of loans/borrowings in the past for which our Statutory Auditors have included certain remarks in the Companies (Auditor's Report) Order, 2020, for the years ended March 31, 2024 and March 31, 2023. We cannot assure you that any similar or other matters prescribed under the Companies (Auditor's Report) Order, 2020, will not form part of our financial statements for the future fiscal periods, which could have an adverse effect on our reputation, the trading price of the Equity Shares, results of operations, cash flows and financial condition.***

We have witnessed delays in repayment of loans/borrowings in Fiscal 2023 and Fiscal 2022 for which our Statutory Auditors have included the following remarks in the annexure to their audit reports on the Companies (Auditor's Report) Order, 2020 for the years ended March 31, 2024 and March 31, 2023, including certain other matters:

For the year ended March 31, 2024:

Nature of borrowing	Name of lender	Amount not paid on due date (₹ in million)	Whether principal or interest	No. of days delay	Remarks, if any
Indian Rupee term loans from Body Corporate	Innoven Capital India Private Limited	6.45	Interest	11	Amount paid on July 12, 2023
Non Convertible Debentures	Innoven Triple Blue Capital Advisors LLP	7.15	Interest	4	Amount paid on July 5, 2023
Non Convertible Debentures	Innoven Triple Blue Capital Advisors LLP	7.39	Interest	1	Amount paid on August 2, 2023
Non Convertible Debentures	Innoven Triple Blue Capital Advisors LLP	6.79	Interest	3	Amount paid on October 4, 2023
Non Convertible Debentures	Innoven Triple Blue Capital Advisors LLP	30.00	Principal	5	Amount paid on October 6, 2023

(xvii) Our Company has incurred cash losses in the year ended March 31, 2024 and in the immediately preceding financial years amounting to ₹ 279.12 million and ₹ 130.61 million, respectively.

For the year ended March 31, 2023:

(ix)(a) Our Company has not defaulted in repayment of loans or other borrowings to any lender or in payment of interest thereon, except for the below:

Nature of Borrowing	Name of Lender	Amount Not Paid on Due Date (₹ million)	Whether Principal or Interest	No. of Days Delay	Remarks, if any
Indian Rupee term loans from Body Corporate	Innoven Capital India Private Limited	10.75	Principal and interest	7	Amount paid on March 8, 2023 and subsequently the lender has condoned the delay in payment of principal and interest

(ix)(d) Fund raised by our Company on short term basis have not been utilised for long term purposes except for short term borrowings from body corporates amounting to ₹ 230.06 million which has been utilized for investment in our Subsidiaries.

(ix) (e) Our Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, except for the following:

Nature of Fund Taken	Name of Lender	Amount Involved (₹ million)	Name of Subsidiary	Relation	Nature of Transaction for which Funds were Utilized
Short-term borrowings from body corporate	Gameberry Labs Private Limited	230.06	Capillary Pte. Ltd	Wholly owned Subsidiary	Investments in equity shares

(xvii) Our Company has incurred cash losses in the year ended March 31, 2023 and in the immediately preceding financial years amounting to ₹ 130.61 million and ₹ 185.42 million, respectively.

For further information, see, "*Restated Consolidated Financial Information – Annexure VII - Statement of Restated Adjustments to the Audited Consolidated Financial Statements*" on page 420.

While we have not witnessed any delay in payment of principal or interest on any borrowings in Fiscal 2025, we cannot assure you we will not witness such delays in the future. We cannot assure you that any similar remarks or other matters prescribed under the Companies (Auditor's Report) Order, 2020, will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

21. *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

We have obtained insurance policies in connection with our operations including professional liability insurance, general liability plus policy, crime insurance and cyber liability insurance, package policy for assets, and directors' and officers' insurance. For further information, see "*Our Business – Insurance*" on page 291.

The following table sets forth details on our amount of insured assets, insurance coverage made and amount of insured assets for the years indicated:

Particulars	As of		
	March 31, 2025	March 31, 2024	March 31, 2023
Amount of insured assets* (₹ in million)	34.27	31.21	22.56
Amount of insurance obtained for insured assets (₹ in million)	76.87	19.56	26.74
Insured assets as percentage of total assets (%)	0.41%	0.36%	0.48%
Insurance coverage as a percentage to insured assets (%)	224.30%	62.66%	118.52%
Total insurance claims made on insured assets (₹ in million)	Nil	Nil	Nil
Amount received as settlement (₹ in million)	Nil	Nil	Nil
Total insurance claims made on insured assets as a percentage of total insurance obtained (in %)	Nil	Nil	Nil
Total insurance premium costs(1) (₹ in million)	16.26	8.37	5.40
Total insurance premium costs as a percentage of revenue from operations (%)	0.27%	0.16%	0.21%

* *Insured assets include: Electronic software development unit, portable equipment-software and portable equipment*

(1) *Total insurance premium cost includes all the insurance taken by the company as per note no. 28 of Restated Consolidated Financial Information.*

Note: The table is exclusive of insurance taken except for on assets of the Company and its Subsidiaries.

In relation to assets where the value is not ascertainable, our Company and our Subsidiaries have total insurance cover of ₹ 8,695.77 million for active insurance policies as at March 31, 2025. Further, under a cyber security insurance policy taken under our Subsidiary, CTL we have filed for an insurance claim of ₹ 76.86 million in Fiscal 2025 on account of claim due to alleged incorrect reporting of consumed points as expired. While there were no other claims made against our existing policies in Fiscal 2025, 2024 and 2023, we cannot assure you that the aforementioned claim will be in our favor or there will be no such instances in the future which may impact our results of operations.

While there have not been any instances in the past three Fiscals, where claims made by us have exceeded the insurance coverage obtained by us and we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

22. ***Our offices, including our Registered and Corporate Office, are located on premises that is held by us on a leave and license basis. If these leases and license agreements are terminated or not renewed and we are not able to identify alternative premises on terms acceptable to us, it could adversely affect our business, financial condition, results of operations, and cash flows.***

We operate on a global scale with operations in over 46 countries as of March 31, 2025, and having a presence across seven international offices. All our offices, including our Registered and Corporate Office, are located on premises that we operate pursuant to a lease or leave and license agreements. For further information on the lease costs of all properties leased by us including our Registered and Corporate Office, see "*Our Business – Properties*" on page 292. The lease agreements for our Registered and Corporate Office is valid until December 31, 2025, pursuant to which our Company will renew the lease agreements. Additionally, one of our Subsidiaries, Capillary Technologies Inc. operates their registered office in Palo Alto, California, USA without a formal lease agreement in place. If we are unable to renew or extend these agreements on commercially acceptable terms, or at all, we may have to relocate our Registered and Corporate Office. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements.

We may also be required by the landlord to relocate to another location adjacent to the leased premises at a short notice of three months as prescribed in the lease agreements, and we may not be able to identify and obtain possession of an alternate location, in a short period of time.

The lease agreements entered by us include a lock-in period ("**Lock-in Period**"). During the relevant Lock-in Period, we are restricted from exercising our right to terminate the lease. Any decision to discontinue operations on such leased premises would therefore adversely affect our financial condition and cash flows.

In addition, lease agreements are required to be duly registered and adequately stamped under Indian law and if any one of our lease agreements is not duly registered and adequately stamped, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India subject to penalties along with the requisite stamp duty prescribed under applicable Indian law being paid.

Occurrence of any of the above events may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

23. ***We propose to utilize a portion of the Net Proceeds to undertake inorganic growth through acquisitions for which the target(s) are yet to be identified, and may not be identified until the listing and trading of the Equity Shares, and which acquisitions may not be successfully concluded. As on the date of this Draft Red***

Herring Prospectus, we have not entered into any definitive arrangements or identified any targets towards any of our future acquisitions. If the Net Proceeds proposed to be utilized towards funding inorganic growth through acquisitions are insufficient for the cost of our proposed acquisitions and other strategic initiative, we may have to seek alternative forms of funding.

We propose to utilize ₹ [●] million from the Net Proceeds, constituting [●]% of our Net Proceeds, towards funding inorganic growth through acquisitions and general corporate purposes as set forth in "*Objects of the Offer – Funding inorganic growth through unidentified acquisitions and general corporate purposes*" on page 160. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive arrangements or identified any targets towards any of our future acquisitions. Although we have identified broad aspects based on which we intend to utilize the Net Proceeds towards this object, as on the date of this Draft Red Herring Prospectus, we have not identified the specific acquisitions which will be undertaken by our Company. We will from time to time continue to seek attractive inorganic opportunities that may be within India, outside India or both, that we believe will fit well with our strategic business objectives and growth strategies. Further, it is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all and/or be able to complete all aspects of the acquisition process and/or receive relevant regulatory clearances (as applicable) in a timely manner or at all.

The amount of Net Proceeds to be used for each individual acquisition and/ or investments will be based on our management's decision and may not be the total value or cost of any such investments, but is expected to provide us with sufficient financial leverage to pursue such investments in the future. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken in a particular period, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity, debt or any other instrument or combination thereof, or whether these will be in the nature of partnerships or joint ventures. Acquisitions and inorganic growth initiatives may be undertaken as share-based transactions, including share swaps, or a combination thereof, or be undertaken as cash transactions.

Our inability to identify suitable targets and complete such transactions may adversely affect our competitiveness and growth prospects. Further, we will from time to time continue to seek attractive inorganic opportunities that will fit well with our strategic business objectives and growth strategies. The amounts deployed towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. While we cannot quantify the amount that will be used towards such initiatives as of the date of this Draft Red Herring Prospectus since such amount will be computed upon determination of the Offer Price, upon conclusion of the book-building process and will be updated in the Prospectus prior to filing with the RoC, however, the cumulative amount to be utilized towards inorganic growth through acquisition and general corporate purposes shall not exceed 35% of the Gross Proceeds in compliance with the SEBI ICDR Regulations. Further, the amount utilized for our object of '*Funding inorganic growth through acquisitions*' shall not exceed 25% of the Gross Proceeds in compliance with the SEBI ICDR Regulations. Consequently, we may be required to explore a range of options to raise requisite capital, if any, including internal accruals or debt financing from third party lenders or institutions. In the event we are unable to identify or conclude transactions for potential inorganic growth to the extent of ₹[●] million or a part thereof over a period of next three Fiscals from the date of listing or within such period as may be disclosed in the Prospectus, we may utilise the balance amount for any other purposes only in accordance with Sections 13(8) and 27 of the Companies Act, 2013. This will entail an authorisation by the shareholders in a general meeting by way of a special resolution to vary the object and an exit opportunity by our Promoter to the shareholders who do not agree to such proposal to vary the objects, in accordance with applicable laws. For further information, see "*Objects of Offer - Variation in Objects*" on page 168.

Our ability to achieve benefits from future strategic and inorganic growth opportunities, if any, will largely depend upon whether we are able to integrate the acquired businesses into the rest of our Company and/ our Subsidiaries, as applicable, in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realise the anticipated benefits of such acquisitions could significantly increase our expenses, which, without a commensurate increase in total revenue, would lead to a decrease in net revenue.

In addition, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Further, we may be subject to various obligations or restrictions under the relevant transaction or shareholders' agreements which may, as the case may be, prevent us from disposing or acquiring shares in the subject entities, or force the Company to sell or acquire shares in the subject entities where it may not otherwise have decided to.

24. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*

We propose to utilise the Net Proceeds towards (i) funding our cloud infrastructure cost; (ii) investment in research, designing and development of our products and platform; (iii) investment in purchase of computer systems for our business; and (iv) funding inorganic growth through unidentified acquisitions and general corporate purposes. For further information of the proposed objects of the Offer, see "*Objects of the Offer*" on page 149. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Issue. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. Further, pending utilization of Net Proceeds towards the Objects of the Issue, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board or a duly constituted committee thereof. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake a variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on the Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

25. *Our Promoter, CTIPL is interested in businesses similar to ours, which may result in conflicts of interest.*

Our Promoter, CTIPL has made certain investments in the past, which, according to their charter documents engage in businesses similar to ours, which may result in conflicts of interest. For further information, see "*Our Promoters and Promoter Group*" on page 353. We cannot assure you that our Promoter, CTIPL will not compete with our existing business or undertake any competing business in future, or any future business that we may undertake or that its interests will not conflict with ours. Further, in cases of conflict, there can be no assurance that our Promoter, CTIPL will not favour any of their interests in such other businesses. Any such future conflict, or situations where our Promoter, CTIPL decides to divert opportunities or conduct business through their other business interests, could have a material adverse effect on our business, reputation, results of operations, financial condition, and cash flows.

26. *We are unable to trace some of our corporate records such as challans for certain form filings. Further, there have been delays in relation to reporting requirements like failure to file certain forms with RBI in respect of issuance of securities by our Company within the prescribed timelines and have compounded*

such delays under FEMA, 1999 and the rules made thereunder and paid the compounding fee. Further, we had also filed a compounding application before the Company Law Board, Chennai, in connection with the delay in holding the annual general meeting of the Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies.

Certain of our Company's challans with respect to the Form-2 filed in relation to allotments dated May 4, 2012; May 30, 2012 and December 29, 2012 and July 1, 2013 are not traceable as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs.

Additionally, in relation to the allotments made to our Promoter, CTIPL, there have been delays in reporting the foreign in-ward remittances and delay in filing of certain form FC-GPRs under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**TISPRO Regulations**"), beyond the stipulated period of 30 days. For further details in relation to the transactions where there have been delays, please see "*Capital Structure – Equity Share capital history of our Company*" on page 114. We had sought compounding of the delay in foreign inward remittances and delay in FC-GPRs, both of which were compounded by RBI with a penalty of ₹ 0.31 million for the delay in reporting inward remittances and a penalty of ₹ 0.98 million for the delay in FC-GPRs. While non-compliances in respect of regulatory filings are reviewed by our compliance divisions, we cannot assure you that our compliance systems will be successful at all times in identifying such non-compliances. If we are subject to any further penalties or other regulatory actions under provisions of FEMA, our reputation could be adversely affected. In addition to the above, there have been certain delays in filing of the form FC-GPR with respect to the allotments dated March 29, 2023, September 29, 2023, October 5, 2023 and February 23, 2024, for which the late fees was paid.

Further, for the financial year ending March 31, 2013, we could not convene our annual general meetings within the timeline as stipulated under Section 166 of the Companies Act, 1956. Consequently, we suo moto filed a compounding application under section 621A of the Companies Act, 1956 before the Registrar of Companies, Karnataka at Bengaluru, praying for compounding the offence relating to contravention of section 166 of the Companies Act, 1956, which was later forwarded to the Company Law Board, Chennai ("**CLB**"). The application was heard by the CLB, and in accordance with the order dated August 27, 2015, we, along with our then Directors, were instructed to remit a compounding fee aggregating to an amount of ₹ 0.18 million with the Ministry of Corporate Affairs, Chennai. The CLB subsequently, pursuant to an order dated September 8, 2015, had compounded the offence against us.

We cannot assure you that RBI or any other regulatory authorities or courts will not take any action(s) or initiate proceeding(s) against us in relation to such regulatory filings or corporate actions or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect. Any such action could have an adverse effect on our business, impact our operations, effect cash flows and financial condition.

27. ***If our third-party service providers and key vendors are not able to or do not fulfil their service obligations, our operations could be disrupted and our operating results could be harmed*.**

We depend on a number of service providers and key vendors, such as software and hardware vendors, outsourced hosting providers and hardware and software maintenance providers who are critical to our operations. Set forth below are certain details regarding our expenses incurred on our top 10 vendors, including as a percentage of our total expenses:

Particulars	**Fiscal**					
	2025		**2024**		**2023**	
	Amount (₹ million)	**Percentage of Total Expenses (%)**	**Amount (₹ million)**	**Percentage of Total Expenses (%)**	**Amount (₹ million)**	**Percentage of Total Expenses (%)**
Expenses incurred towards our top 10 vendors	1,354.00	25.39%	1,200.71	22.36%	804.48	24.78%

References to 'Vendor' are to vendors in a particular Fiscal and do not refer to the same vendors across all Fiscals.

These service providers and vendors are involved in our offerings, communications equipment, hardware and software and related support and maintenance. For instance, we primarily rely on a single vendor for our cloud hosting services. In the event of any disruptions from such third-party vendors, our operations may be adversely impacted. However, for certain of our key vendors, we have alternate vendors who provide similar services within limited scope. In addition, our operations could be disrupted if we do not successfully manage relationships with our service providers, if they do not perform or are unable to perform agreed-upon services, or if they are unwilling to make their services available to us at reasonable prices. While there have been no instances of failure to perform by third parties in the last three fiscals, our service providers and vendors do not perform their service obligations, it could adversely affect our reputation, business, financial condition and results of operations.

28. *We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialize.*

As of March 31, 2025, 2024, 2023, our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets basis the Restated Consolidated Financial Information of our Company, were as follows:

Particulars	As of March 31,		
	2025	2024	2023
	(₹ million)		
Bank guarantees outstanding	3.91	3.91	4.68

Note: The Honourable Supreme Court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judgement retrospectively. In the absence of reliable measurement of the provision for earlier years, the Group has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

We also cannot assure you that we will not have any additional contingent liabilities in future. If any such contingent liabilities materialize or if at any time, we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition and results of operation may be adversely affected.

29. *If the prices we charge for our solutions and services are unacceptable to our customers, our business, results of operations, financial condition and cash flows will be adversely affected.*

As the market for our solutions matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure on account of pricing becoming unacceptable to our customers and accordingly, we may be unable to renew our agreements with existing customers or attract new customers based on our current pricing model. We cannot assure you that, in future we will not be required to change our pricing model or reduce our prices, which could adversely affect our revenue, gross margin and operating results. Pricing decisions may also impact the mix of adoption among our subscription models, and negatively impact our overall revenue. If we are, for any reason, required to reduce our prices, our revenue from operations, profitability, financial position and cash flow may be adversely affected.

We typically adopt the following approach for pricing our services: (i) Subscription: our SaaS subscription pricing model is based on the number of loyalty transactions processed annually, the active loyalty members on the platform, and the number of stores using our platform. In addition, subscription revenues from our *Rewards+* platform depend on the type and volume of offers redeemed. By dynamically linking our prices to metrics related to platform activity and service usage, we ensure that our revenue grows as customers expand their use of our solutions across multiple regions or divisions, supporting long-term account value growth; (ii) Campaigns: fees paid by customers to us for every message including text messages, email or ad-words that they send out from our platform; and (iii) Setup: setup revenues are revenues we charge customers for the integration / configurations to our platform to take a customer live. For further information, see "*Our Business – Contractual Terms and Pricing*" on page 287. While in the last five years, we have not changed our pricing model, we may be required to otherwise change our pricing model from time to time, including as a result of competition, global economic conditions, general reductions in our customers' spending levels, pricing studies, or changes in how our products are broadly consumed.

We have introduced the following new products and features for the years indicated:

Particulars	Year of Launch
Launch of Multiple Loyalty Programs ('**MLP**') for organisation-unified loyalty programs across brands, stores and countries.	Fiscal 2023
Industry vertical specific customised User Interface ('**UI**') on *Insights+*.	Fiscal 2023
Launch of Journeys in *Engage+*, our connected engagement platform (engagement automation interface that enables creation of scenario-based flows to engage with customers throughout their lifecycle).	Fiscal 2023

Particulars	Year of Launch
Launch of aiRA (Our AI research assistant for content marketers) across our product suite.	Fiscal 2024
Enhancement of aiRA capabilities (creatives co-pilot, promotions co-pilot and aiRA for mobile push notifications)	Fiscal 2024
Launch of Promotions 2.0 on *Loyalty+*, now allowing brands to club diverse promotions together, cross-sell products and create offers that can be unlocked by a specific target segment	Fiscal 2024
Development of *Rewards+* post acquisition of Digital Connect from Tenerity Group	Fiscal 2024
Vulcan framework on *Insights+*, a customisable UI allowing users to create customised UI screens & embed them on Capillary platform.	Fiscal 2025
Cashback engine, offer quality control management and customer segmentation enhancements in *Rewards+*	Fiscal 2025

Moreover, as we continue to target selling our products and services to larger organisations, who account for a large portion of our business, these larger organisations may demand substantial price concessions. If we are unable to modify or develop pricing models and strategies that are attractive to existing and prospective customers, while enabling us to significantly grow our sales and revenue relative to our associated costs and expenses in a reasonable period of time, our business, cash flows, financial condition, and results of operations may be adversely impacted. For further information, see "- *We may be unable to attract new customers in a cost-effective manner which may adversely affect our business, cash flows, results of operations and financial condition.*" on page 42.

30. *Grants of stock options under our employee stock option plans may result in a charge to our statement of profit and loss and will, to that extent, reduce our profits or increase our losses.*

Our Company, pursuant to the resolutions passed by our Board in its meeting dated October 29, 2021 and our Shareholders in its meeting dated October 29, 2021, adopted ESOP 2021. For further information, see "*Capital Structure*" on page 112. As on the date of this Draft Red Herring Prospectus, we have granted options under our ESOP 2021 and may in future grant further options or establish other employee stock option schemes or plans, under which eligible employees may participate, subject to the requisite approvals having been obtained.

ESOP 2021 has been prepared to attract and retain talent in and within our Company, encourage employees to strive to perform better and incentivize such employees who exhibit traits appreciated by our Company. The vesting schedule is to be determined by the administrator of ESOP 2021 with a minimum gap of one year between the grant of options and the first vesting schedule. Out of total options, i.e., 7,291,000 options, which is 9.94 % of the paid-up share capital of our Company as on the date of this Draft Ref Herring Prospectus, 1,158,261 options are outstanding which is 1.58% of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus. One option will be equal to one Equity Share of our Company, accordingly, there shall be dilution of capital at the time of exercise of such options in accordance with its vesting schedule. ESOP 2021 is in compliance and shall continue to be in compliance with the SEBI SBEB Regulations. For further information see, "*Capital Structure - Notes to Capital Structure – 13. Employee stock option scheme*" on page 145.

Our Company follows the fair value method for the accounting of employee compensation cost on options granted, pursuant to which the fair value of options on the date of grant is recognized in our profit and loss statement equal to the product of the number of Equity Shares granted and the fair value as at the date of grant on a straight line basis over the graded vesting period of options, the minimum period being one year from the date of grant of options. The granted options remaining valid and outstanding at the end of each Fiscal will get fair valued and our Company will record in its profit and loss account, employee stock option expenses equivalent to the number of options vesting in that respective Fiscal multiplied by the fair value of each option so determined. Out of the 5,746,209 options granted by our Company up to the date of this Draft Red Herring Prospectus, the following table sets forth the number of options due to vest in the current and upcoming Fiscals:

Particulars	Fiscal 2027	Fiscal 2026	Fiscal 2025
Number of options vesting	10,34,595	9,05,112	609,785

Under Ind AS, the grant of stock options under ESOPs will result in a charge to our statement of profit or loss under share based payments expenses equal to the fair value of options as at the date of grant. The fair value of options will be amortized over the vesting period of these stock options. Pursuant to the one-time grant, we have experienced an increase in the charge to our statement of profit or loss in Fiscal 2023 compared with that in Fiscal 2024 and 2025.

Further, we may continue to introduce similar employee stock option schemes in the future, where we issue options to our employees at substantial discount to the market price of Equity Shares, which may have an adverse impact on our results of operations and financial condition and also dilute the holding of shareholders in our Company.

31. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the ordinary course of business entered into transactions with related parties in the past and from time to time, we may enter into related party transactions in the future. For details regarding our related party transactions for the Financial Years 2025, 2024 and 2023, see "*Summary of the Offer Document – Summary of related party transactions*" on page 33 and "*Financial Statements – Restated Consolidated Financial Information – Note 35 Related Party Disclosures under Ind AS-24*" on page 403. Our related party transactions primarily include remuneration to our KMPs and their relatives, directors' sitting fees, issuance of equity shares, payment of interest on borrowings, etc. While all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future.

The transactions with our related party customers have been conducted in the ordinary course of business, in accordance with the provisions of applicable laws and on an arm's length basis and have not been prejudicial to the interests of our Company. It is likely that we will continue to enter into such related party transactions in the future. Some of these transactions may require capital outlay and there can be no assurance that we will be able to make a return on these investments. Although all related-party transactions that we may enter into will be subject to our audit committee, board of directors or shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected/ result in the benefit envisaged therein, or that we could not have undertaken such transactions on more favourable terms with any unrelated parties.

32. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the (a) capital structure or shareholding pattern of our Company or Promoters, (b) ownership or control of our Company, (c) management of our Company and (d) constitutional documents of the Company. While we have received consents from lenders as required for the purposes of this Offer, failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. There are no subsisting instances of defaults or overdue in repayment of loans (principal or interest) by the Company and its Subsidiaries in the last three years, except certain delays in payment of interest and principal for one of our lenders, Innoven Capital India Private Limited in Fiscals 2024 and 2023. For further information see "*Restated Consolidated Financial Information – Annexure VII - Statement of Restated Adjustments to the Audited Consolidated Financial Statements*" on page 420.

While there have been no other instances of defaults in debt servicing made by our Company or our Subsidiaries and accordingly no actions have been taken by any lender, we cannot assure you that any of the lenders will not take any action in future in respect of such defaults by our Company.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers may lead to acceleration of amounts due under such facilities and triggering of cross default provisions. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

33. ***Failure to protect our intellectual property rights could adversely affect our business and our brand.***

Companies in the software and technology industries, including some of our current and potential competitors, own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Such third parties, including certain of these leading companies and non-practicing entities, may assert patent, copyright, trademark or other intellectual property rights against us, our technology partners or our customers.

We take care to ensure that we comply with the intellectual property rights of third parties and we do not have any ongoing disputes and have not received any alleged infringement claims in the past, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. There may be third-party intellectual property rights, that cover or claim to cover significant aspects of our technologies or business methods. We may be exposed to increased risk of being the subject of intellectual property infringement claims as a result of acquisitions, as, among other things, we have a lower level of visibility into the development process with respect to such technology or the care taken to safeguard against infringement risks. Any intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including enhanced statutory damages if we are found to have wilfully infringed patents or other intellectual property rights. These claims could also result in our having to stop using technology found to be in violation of a third-party's rights. We might be required to seek a license for the intellectual property, which may not be available on reasonable terms or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our operating expenses. Such risks will increase as we continue to expand our operations and product offerings. As a result, we may be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit or stop sales of our offerings and may be unable to compete effectively. While such claims by third parties have not been made to us historically, the occurrence of any of the foregoing would adversely affect our business operations and financial results.

Likewise, we possess particular intellectual property rights as well. Our success and ability to compete depends, in part, on our ability to protect our trade secrets, trademarks, know-how, confidential information, proprietary methods and technologies and other intellectual property and proprietary rights, so that we can prevent others from using our inventions, proprietary information and property. We generally rely on common law trade secret and trademark laws, and confidentiality or license agreements with our employees, consultants, vendors, customers and other third parties, and generally limit access to and distribution of our proprietary information, in order to protect our intellectual property rights and maintain our competitive position. However, we cannot guarantee that the steps we take to protect our intellectual property rights will be effective.

As on the date of this Draft Red Herring Prospectus, our Company owns ten valid and registered trademarks in India, which were initially assigned to our Material Subsidiary, CPL by our Promoter under the deed of assignment of intellectual property dated November 20, 2021 and February 26, 2023 and further assigned by CPL to our Company pursuant to the deed of assignment of intellectual property dated February 28, 2023, for which we have valid registration certificates from the Trade Marks Registry, Government of India under the Trade Marks Act, 1999, as amended ("**Trade Marks Act**"). Additionally, as on the date of this Draft Red Herring Prospectus, our Company has made applications for registration/renewal of 23 trademarks under various classes before the Trade Marks Registry under the Trade Marks Act, which are pending at various stages in India. Additionally, Capillary Brierley and Capillary Technologies Inc. have provided consent to our Company to use any of its intellectual property rights under its respective consent letters, each dated April 1, 2024. Furthermore, CTIPL and CPL have provided consent under consent letter dated April 1, 2024 to our Company to use two patents, one registered in the United States and one registered in Singapore. For further information, see, "*Government and Other Approvals – Intellectual Property of our Material Subsidiaries*" on page 483.

As we expand our activities globally, our exposure to unauthorised copying and use of our products and platform capabilities and proprietary information will likely increase. We are currently unable to measure the full extent of this unauthorised use of our products, platform capabilities, software, and proprietary information. We believe, however, that such unauthorised use can be expected to be an issue that negatively impacts our revenue and financial results. Additional uncertainty may result from recent and future changes to intellectual property legislation and from interpretations of the intellectual property laws by applicable courts and agencies. Further, although we endeavour to enter into non-disclosure agreements with our employees, licensees and others who may have access to confidential and proprietary information, we cannot assure that these agreements or other steps we have taken will prevent unauthorised use, disclosure or reverse engineering of our technology. Moreover, third parties may independently develop technologies or products that compete with ours, and we may be unable to prevent this competition.

We might be required to spend significant resources to defend, monitor, and protect our intellectual property rights, such as by initiating claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered. Additionally, we may provoke third parties to assert counterclaims against us. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology or use of our brand, and our business and brand might be adversely affected.

34. *Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.*

We believe that maintaining, promoting and enhancing our "*Capillary*" brand and our various product brands is critical to maintaining and expanding our business. Maintaining and enhancing our brand depends largely on our ability to continue to provide quality, well-designed, useful, reliable, and innovative SaaS solutions, which we cannot assure you we will do successfully.

We believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful SaaS solutions at competitive prices, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We market our platform and products through our direct sales force, regional channels partners, and a number of free traffic sources, including customers' word-of-mouth referrals, and participate in events, blogs and getting featured on product review websites. We have incurred and expect to incur significant costs and expenses to market our brand and we intend to continue such efforts. Set forth below are certain details regarding our business promotion expenditure:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Business promotion expenses	117.81	1.97%	110.85	2.11%	120.35	4.71%

We cannot assure you, however, that our business promotion expenses will lead to increasing revenue, and even if they did, such increases in revenue might not be sufficient to offset the expenses incurred.

35. *Issues related to the development and use of artificial intelligence ("AI"), including generative AI ("Gen AI") could lead to changes in our customers' operations, give rise to legal and/or regulatory action, damage our reputation or otherwise materially harm our business. The integration of Gen AI in our tools and platforms also exposes us to additional data security and privacy risks.*

We currently incorporate AI technology in certain of our services and solutions and in our business operations. Our research and development of such technology remains ongoing. AI presents risks, challenges, and unintended consequences that could affect our and our customers' adoption and use of this technology. The implementation of AI will not completely eliminate the need for jobs for humans. AI algorithms and training methodologies may be flawed. Additionally, AI technologies are complex and rapidly evolving, and we face significant competition in the market and from other companies regarding such technologies. The adoption of Gen AI by various industries could lead to changes in our customers' operations. By adopting Gen AI, our customers may develop in-house capabilities which could impact the extent to which customers rely on us and reduce their need for our services.

While we aim to develop and use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. AI-related issues, deficiencies and/or failures could (i) give rise to legal and/or regulatory action, including with respect to proposed legislation regulating AI in jurisdictions such as the United States and the United Kingdom, and as a result of new applications of existing data protection, privacy, intellectual property, and other laws; (ii) damage our reputation; or (iii) otherwise materially harm our business.

In addition, we have been integrating Gen AI into our own tools and platforms. Integrating Gen AI poses significant data privacy and security risks. While Gen AI offers significant benefits, it also has its own unique challenges. Any unintended breach of our data could adversely impact our business and reputation. Further, Gen AI is still an evolving technology. Our ability to develop and implement up-to-date Gen AI offerings in a timely or cost-effective manner will impact our ability to retain and attract customers and our future revenue growth and earnings.

Moreover, staying compliant with evolving laws, regulations, and industry standards pertaining to AI may impose significant operational costs and constrain our ability to develop, deploy, or employ AI technologies. Failing to adapt appropriately to this evolving regulatory environment could result in legal liability, regulatory actions, and damage to our brand and reputation. There have been certain initiatives undertaken by government agencies in India regarding the regulation of AI such as the National Strategy for Artificial Intelligence, introduced by NITI Aayog in June 2018, which emphasizes the need to align India's regulatory standards with global norms to ensure that its AI technologies are globally competitive and compliant with international human rights standards by proposing a two-tiered structure to address India's AI research aspirations. These include (a) the Centre of Research Excellence ("**CORE**") focused developing better understanding of existing core research and pushing technology frontiers through creation of new knowledge, and (b) International Centers of Transformational Artificial Intelligence ("**ICTAI**") with a mandate of developing and deploying application-based research. Private sector collaboration is envisioned to be a key aspect of ICTAIs. For further information applicable to technology, AI, data security and privacy risks, see "*Key Regulations and Policies in India*" beginning on page 294.

36. ***We are subject to risks associated with expansion into new geographic regions.***

We conduct our business across emerging and developed markets and serve customers across countries primarily in Asia and in North America. As of March 31, 2025 we operate on a global scale, serving customers in over 45 countries, respectively, across India, United States, United Kingdom, Denmark, Finland, France, Germany, Netherlands, Norway, Spain, Sweden, United Arab Emirates, Saudi Arabia, Singapore, Indonesia, Malaysia, Thailand, Vietnam, Philippines and Japan. As of the date of this Draft Red Herring Prospectus, we are in the process of shutting down our China office owing to a strategic shutdown of our China operations, which included five customers that generated revenue of ₹ 44.83 million in Fiscal 2023. The shutdown is due to low growth rates in recent years, both in acquiring new customers and expanding existing ones. The markets in which we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market.

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For instance, we are focussing on our go-to-market efforts towards expanding in the United States. We are also in the process of identifying other acquisition targets in the loyalty and allied spaces that could complement our existing portfolio and also allow us to tap the market in the United States. Further, we intend to continue exploring inorganic opportunities for expansion, and venture selectively and prudently into other evolved markets like Europe. For further information, see "*Our Business – Strategies – Expand Presence in the United States and Pursue Further Acquisitions in North America and Other Regions*" on page 274. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including: compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation; foreign ownership constraints and uncertainties with new local business partners; local language preferences and service requirements; fluctuations in foreign currency exchange rates; inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations; stringent as well as differing labour and other regulations; differing domestic and foreign customs, tariffs and taxes; exposure to expropriation or other government actions; political, economic and social instability; attracting quality talent in new geographies; physical presence of offices; understanding of local employment laws; and adherence to local data security requirements and laws.

Further, the regulatory regime in some of the territories we operate in continues to evolve at a rapid pace and may be unclear or inconsistent or open to conflicting interpretation. A number of our agreements with customers are governed by laws other than Indian law. We cannot assure you that in the event of a dispute under such agreements, we will be able to successfully defend our position, and any adverse decision may adversely impact our financial position, results of operations and cash flows. If we are unable to manage our global operations successfully, our financial results could be adversely affected, which may impact profit margins or make it increasingly difficult for us to conduct business in foreign markets.

We intend to continue to expand our offerings, as well as our customer base, within existing regions where we operate and to various other jurisdictions and in particular, North America. We may have limited or no experience in marketing, developing and deploying our offerings in such jurisdictions, and may require considerable management attention and resources for managing our growing business across markets. Further, any restriction on repatriation of money to India from countries where we have operations, may result in overexposure on the cash being accumulated for our overseas operations, which may have an adverse impact on our cash flows, results of operations and profitability.

37. *Our Company is, and will continue to be, a foreign owned and controlled company under Indian law, and will be subject to certain restrictions under law in its capacity as a foreign owned and controlled company.*

Our Company is, and following the listing of our Company on the Stock Exchanges, shall continue to be, a foreign owned and controlled company in terms of the foreign exchange regulations in India, which may restrict our ability to obtain domestic borrowings for purposes of making capital investments in Indian companies. Further, as a company incorporated in India, our Company is also subject to foreign exchange regulations relating to investments and reporting requirements for any foreign investments received by our Company. Further, in the event that our Company or Subsidiaries hold any investments or businesses in a foreign jurisdiction, it shall be subject to the extant foreign exchange regulations in respect of outbound investments, and the ability of our Company or any of our Subsidiaries to make such investments depends on the limits available to the investing entity for making overseas direct investments. If we are unable to raise additional funds on acceptable terms, or at all, our business, results of operations and financial condition may be adversely affected.

38. *We recognize revenue over the term of our customer contracts. Consequently, downturns or upturns in new sales may not be immediately reflected in our operating results and may be difficult to discern.*

We generally recognize revenue from subscriptions for our products and solutions over the term of the subscription. As such, downturns or upturns in new business may not be immediately reflected in our operating results. We generally recognize revenue from customers over a term of 12 to 60 months. As a result, most of the revenue we report in each quarter is the result of continued and new contracts during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be reflected in our revenue results for that quarter. Any such decline, however, will negatively impact our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our products and solutions, and changes in our attrition rate, may not be fully reflected in our results of operations until future periods. Our revenue model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable term.

39. *The market for customer relationship and loyalty management Software as a Service ("SaaS") solutions is relatively new and emerging. If the market develops more slowly or differently than we expect, our business, growth prospects and financial condition would be adversely affected.*

The market for customer relationship and loyalty management SaaS solutions, such as ours, is relatively new and may not achieve or sustain high levels of demand and market acceptance. The global loyalty market is valued at USD 17 billion and is expected to grow significantly, reaching USD 27.3 billion by 2029, projecting a significant growth of 9.9% between 2024 to 2029. From 2024 to 2029, the SaaS market is projected to grow nearly 2.5X, highlighting the sector's sustained momentum. With a CAGR of 20% from 2019 to 2023, the market expansion underscores the increasing reliance on SaaS for operational agility, scalability, and digital transformation. There is an untapped potential in the enterprise market in Asia-Pacific, EMEA and the North American regions, projecting a significant growth rate of 18.5%, 8.7% and 4.9%, respectively from years 2024 to 2029. (*Source: Zinnov Report*)

The future growth of our business depends both on the acceptance and expansion of emerging loyalty management solutions. Even if these solutions become widely adopted, our suite of customer relationship and loyalty management SaaS solutions may not continue to be utilized by our existing customers or we may not acquire new customers. Organizations may not make significant investments in customer relationship and loyalty management SaaS solutions and may not purchase services and solutions to address their customer relationship and loyalty management requirements. If customer relationship and loyalty management SaaS solutions are not widely adopted, or the market for such SaaS solutions does not develop as we expect, our business, growth prospects and financial condition would be adversely affected.

40. ***We are subject to certain obligations under our master service agreements with our customers and a failure to comply with standards required by our customers under our master service agreements with our customers could harm our reputation, result in product liability claims and significant costs to us, impair our ability to enter into future contracts in relation to our platform and products, and serve our existing customers.***

Our services and solutions are typically subject to stringent scheduling requirements, extensive technical specifications and other obligations, including in relation to data security, as specified by our customers in their respective master service agreements with us. Some of our contracts with our customers also involve exclusivity arrangements including with respect to proprietary rights for use of software and intellectual property or unique pricing terms, compliance of which could impact our business, cash flows, prospects, results of operations, and financial condition. Further, for any variations in such specifications or our obligations, we are typically required to discuss with and / or obtain prior consent from our customers and as mutually agreed between the parties to the respective contracts. Our agreements also require us to indemnify our customers for losses arising out of, among other things, non-performance or breach of our obligations, infringement of intellectual property rights and negligence. We have a professional indemnity insurance in place which covers our product liability claims. Typically, the liability of our Company extends to annual subscription fees for the first three years of the agreement any other remedy as may be available to the customers under the applicable law. In certain contracts, the liability could even extend beyond the contract value especially in cases of security and/or data leakage. While we have not incurred any loss arising out of, among other things, non-performance or breach of obligations, infringement of intellectual property rights and negligence and have not incurred any liability or faced any claims that extend beyond the contract value, especially in cases of security breach, breach of confidentiality arising due to wilful misconduct, gross negligence or fraud by our Company, breach of intellectual property rights, or breach of applicable laws, that are in the nature of consequential losses or indirect losses, there can be no assurance that we will not incur an such losses or similar liability in future. We are also required under certain agreements to pay liquidated damages in the event of non-compliances. While there have been no instances in the past three Fiscals, where we have not been able to comply with certain specifications or have been unable to comply with our obligations under such agreements and there have not been any material losses to our operations, any such failure on our part in the future may lead to termination of the agreement, loss of business with our customers, loss of reputation and loss of goodwill.

Further, the software underlying our platform and services is complex and may contain or be perceived as containing design issues, defects or errors, that could be difficult to detect and correct, particularly when first introduced or when new features or capabilities are released. Any real or perceived defects, errors, failures, bugs or vulnerabilities could result in negative publicity, cybersecurity breaches and other data security, privacy, access, retention issues, performance issues and customer terminations and may impair our ability to enter into master service agreements with our customers for our platform, products and solutions in the future. Some errors, bugs or vulnerabilities inherently may be difficult to detect and may only be discovered after code has been released for external or internal use. The costs incurred in correcting any defects in our platform and products may be substantial and could adversely affect our results of operations. For example, we may need to expend significant financial and development resources to analyse, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Although we continually test our platform and products for defects and work with customers through our customer support organisation to identify and correct errors, we have sometimes identified defects or errors on our platform and products, and defects or errors are likely to occur again in the future. There have been instances where certain defects or errors have been identified post-release. For instance, there were instances of incorrect customer communication regarding loyalty points or vouchers held by the end-consumer of the customer which had resulted in a certain loss to the customer. Such instances expose us to financial liabilities and indemnity obligations to our customers. While we report these defects and errors on internal tickets and are resolved as part of our agile development programme, and have obtained an errors and omission insurance policy, there can be no assurance that we will not be liable penalties or liabilities in future.

Any defects that cause interruptions to the availability of our platform and products or other performance issues could result in, among other things: lost revenue or delayed market acceptance and contracts in relation to our platform and products; early termination of customer agreements or loss of customers; credits or refunds to customers; product liability lawsuits and other claims against us; diversion of development resources; increased expenses associated with remedying any defect, including increased technical support costs; injury to our brand and reputation; and increased maintenance and warranty costs. While our master service agreements with our customers typically contain limitations and disclaimers that purport to limit our liability for damages, such limitations and disclaimers may not be enforced by a court or other tribunal or otherwise effectively protect us from such claims. The combination of our insurance coverage, cash flows and reserves may not be adequate to satisfy product liabilities we may incur in the future. Even meritless claims could subject us to adverse publicity, hinder us from securing insurance coverage in the future, require us to incur significant legal fees, decrease demand for the platform or any products that we successfully develop, divert management's attention, and force us to limit or forgo further development and commercialisation of the platform and these products. Such defects or quality issues could therefore harm our reputation, result in significant costs to us, and materially affect our business, results of operations and financial condition.

41. *We are subject to transfer pricing regulations in respect of transactions with our foreign Subsidiaries.*

Indian transfer-pricing regulations require that any international transaction involving associated enterprises be at an arm's-length price. Transactions among us and our Subsidiaries may be considered such transactions. Accordingly, we determine the pricing among our entities on the basis of detailed functional and economic analysis involving benchmarking against transactions among entities that are not under common control. If the income tax authorities review any of our tax returns and determine that the transfer price applied was not appropriate, we may incur increased tax liabilities, including accrued interest and penalties. It is further noted that certain transfer pricing assessments under the Income Tax Act, 1961, are currently pending against our Company. The final determination of the arm's length nature of such transactions is subject to the outcomes of these assessments, and any adjustments resulting from the same. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations.

42. *The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.*

The market for platform loyalty-tech and Martech solutions is highly competitive, rapidly evolving and fragmented, and subject to changing technology, shifting customer needs and frequent introductions of new products and services. (*Source: Zinnov Report*) Many prospective customers have invested substantial personnel and financial resources to implement and integrate their current enterprise software into their businesses and therefore may be reluctant or unwilling to migrate away from their current solution to an enterprise cloud computing application service. Additionally, third-party developers may be reluctant to build application services on our platform since they have invested in other competing technology platforms.

Our current competitors include: internally developed enterprise applications (by our potential customers' IT departments); vendors of packaged business software, as well as companies offering enterprise apps delivered through on-premises offerings from enterprise software application vendors and cloud computing application service providers, either individually or with others; software companies that provide their product or service free of charge as a single product or when bundled with other offerings, or only charge a premium for advanced features and functionality; vendors who offer software tailored to specific services that are more directed toward those specific services than our full suite of service offerings; suppliers of traditional business intelligence and data preparation products, as well as business analytics software companies; integration software vendors and other companies offering integration or API solutions; marketing vendors, which may specialize in advertising, targeting, messaging, or campaign automation; and traditional platform development environment companies and cloud computing development platform companies who may develop toolsets and products that allow customers to build new apps that run on the customers' current infrastructure or as hosted services. Since loyalty is a subsegment of the broader customer engagement landscape, we consider CRM and customer engagement SaaS companies as proxies, these include mid-market independent software vendors such as Hubspot and technology giants such as Salesforce. (*Source: Zinnov Report*) For further information, see "*Industry Overview*" on page 209.

In addition, we may face more competition as we expand our product offerings. Some of our current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, more significant installed bases, broader geographic scope, broader suites of service offerings and larger marketing budgets, as well as substantially greater financial, technical, personnel and other resources. In addition, many of our current and potential competitors have established marketing relationships and access to larger customer bases, and have major distribution agreements with consultants, system integrators and resellers. We also experience competition from smaller, younger competitors that may be more agile in responding to customers' demands. These competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements or provide competitive pricing. As a result, even if our services are more effective than the products and services that our competitors offer, potential customers might select competitive products and services in lieu of purchasing our services. Accordingly, we may not be able to compete successfully against our current and future competitors, which could negatively impact our future sales and adversely affect our business, results of operation and financial condition.

43. *We may suffer disruptions, outages, defects, and other performance and quality problems with our artificial intelligence suite or with the public cloud and internet infrastructure on which it relies.*

Our business, brand, reputation, and ability to attract and retain customers depend upon the satisfactory performance, reliability, and availability of our products and solutions. Our continued growth depends, in part, on the ability of our existing and potential customers to utilise our solutions 24 hours a day, seven days a week, without interruption or degradation of performance. Interruptions in these systems, whether due to system failures, computer viruses, software errors, physical or electronic break-ins, or malicious hacks or attacks on our systems (such as denial of service attacks), could affect the security and availability of our services on our platform and prevent or inhibit the ability of users to access our platform or services. In addition, the software, internal applications, and systems underlying our products are complex and may not be error-free. We may encounter technical problems when we attempt to enhance our software, internal applications, and systems. Any inefficiencies, errors, or technical problems with our software, internal applications, and systems could reduce the quality of our products and services or interfere with our customers' use of our products and services, which could reduce demand, lower our revenues, and increase our costs. We also rely on third parties for cloud server hosting facilities and cloud computing platforms. Any interruption in these third-party services or deterioration in the performance of these services, regardless of the cause, could also be disruptive to our business.

While we have not experienced any disruptions, data loss, outages, and other performance problems with our infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, ransomware attacks, or other security-related incidents, we cannot assure you that these will not happen in the future. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in a short time. We may not be able to maintain the level of service and performance required by our customers. If our platform is unavailable or if customers are unable to utilise our products within a reasonable amount of time, or at all, our business and financial condition would be adversely affected.

44. *Our rewards management platform, Rewards+, is dependent on third-party rewards partners and merchants. Any failure or fluctuations in services provided by third-party rewards partnerships can adversely affect our results of operations and financial condition.*

Our rewards management platform, *Rewards+*, is a rewards marketplace offering gift cards, cashbacks, travel redemptions, and exclusive partner deals. *Rewards+* offers a wide range of curated, high-quality rewards and redemption options, including gift cards, cashback, travel vouchers, and exclusive offers from global brands. Revenue generated from the *Rewards+* platform are driven by content and offers hosted thereon, which are sourced from multiple third-party merchants and offer aggregators. This dependency is subject to a number of risks, including platform integration risks, where successful integration with third-party platforms is crucial for seamless operation, and any integration issues can lead to disruptions in service delivery and negatively impact user experience. Additionally, programming errors or technical glitches can result in points being incorrectly awarded, which can undermine user trust and satisfaction, and require timely resolution to maintain the integrity of the *Rewards+* platform.

The continuous supply and availability of offers from third-party merchants are essential for maintaining the attractiveness of the *Rewards+* platform, and any interruptions or inconsistencies in offer availability can affect revenue generation. Further, any third-party platform downtime or technical issues can lead to temporary unavailability of offers, impacting the overall performance and reliability of the *Rewards+* platform. Additionally, changes in business terms, conflicts, or termination of agreements with third-part merchants, can affect the stability and continuity of the *Rewards+* platform's offerings, non-compliance of regulatory requirements by third-party merchants and offer aggregators can lead to legal issues and affect the reputation and operations of the *Rewards+* platform. Further, market and competitive risks can influence the availability and quality of offers from third-party merchants, and changes in market conditions or competitive pressures can impact the *Rewards+* platform's ability to attract and retain users. While we have not had any such instances in the last three fiscals, we cannot assure you that we will not be adversely affected due to failure or fluctuations in third-party rewards partnerships.

45. *Exchange rate fluctuations may adversely affect our results of operations as some portion of our revenues and expenditures are denominated in foreign currencies.*

We are exposed to foreign exchange related risks as a portion of our revenue from contracts with customers are in foreign currency, including the US Dollar. A significant or frequent fluctuation in the exchange rate between the Indian Rupee and other currencies, may adversely affect our results of operations. We do not maintain a hedging policy to mitigate losses arising out of foreign exchange fluctuation and we do not have any separate policy in relation to obtaining debt facilities. We have not obtained any forward contracts in relation to hedging foreign exchange exposure in the past three Fiscals . The exchange rate between the Indian Rupee and foreign currencies, primarily the US Dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our revenue from offerings overseas will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. Set forth below are details of our debt equity ratio and our loss/ (gain) on account of foreign exchange fluctuation (net):

Particulars	As of/ For the Fiscal ended March 31,		
	2025	2024	2023
	(₹ million, except ratios)		
Debt Equity Ratio[(1)]	0.18	0.14	0.79
Loss/ (gain) on account of foreign exchange fluctuations (net) (₹ million)	7.24	26.85	(25.40)
Loss/ (gain) on account of foreign exchange fluctuations (net), as a percentage of revenue from operations	0.12%	0.51%	(0.99) %

[(1)] *Debt to Equity ratio is calculated as Borrowings divided by total equity as of the last date of the relevant period. Borrowings is the sum of current borrowings and non-current borrowings. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Reconciliation of Debt to Equity Ratio" on page 432.*

However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

46. *We incorporate technology from third-parties into our solutions, and our inability to obtain or maintain rights to the technology could harm our business.*

We incorporate technology from third-parties into our solutions. The contracts entered into by us third-party technology solution providers contain representations stating that the software or services they provide do not in any manner infringe any third party intellectual property rights. We also have provisions in our contract with such vendors to indemnify against losses, claims or damages that we may incur on account of such infringement, if any. Depending upon business requirements and applicable laws, we also undertake due diligence on such vendors to ensure that they have requisite licenses and other certifications available, as may be applicable. We cannot be certain that our suppliers and licensors are not infringing the intellectual property rights of third-parties or that the suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may offer our solutions and perform services. Some of our agreements with our suppliers and licensors may be terminated for convenience by them. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain such technology or enter into new agreements on commercially reasonable terms, our ability to develop and sell solutions and services containing such technology could be severely limited, and our business could be harmed. While we have not experienced any material instances of non-fulfilment of service obligations by our third-party service providers, we cannot assure you that this will be the case in the future. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternative technology, which may require significant time, cost and effort and may be of lower quality or performance standards. This would limit and delay our ability to offer new or competitive products and increase our costs of production. If alternative technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our solutions and services. As a result, our margins, market share and results of operations could be significantly harmed.

47. *We may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.*

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure, develop and implement new technologies as part of our platform and solutions. Our strategy to grow our business may require us to raise additional funds for our working capital or long-term business plans or for refinancing our outstanding debts. While we have historically funded our capital expenditure primarily through long-term debts and equity infusions, we cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, venture capital funds, joint-venture partners and other strategic investors. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. There are no subsisting instances of defaults or overdue in repayment of loans (principal or interest) by the Company and its Subsidiaries in the last three years, except certain delays in payment of interest and principal for one of our lenders, Innoven Capital India Private Limited in Fiscals 2024 and 2023. For further information see "*Restated Consolidated Financial Information – Annexure VII - Statement of Restated Adjustments to the Audited Consolidated Financial Statements*" on page 420.

While there have been no other instances of defaults in debt servicing made by our Company or our Subsidiaries or Group Company and accordingly no actions have been taken by any lender, we cannot assure you that any of the lenders will not take any action in future in respect of such defaults by our Company. For further information, see " *– We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows*." Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects. We may also be required to finance our growth, whether organic or inorganic, through future equity offerings, which may lead to the dilution of investors' shareholdings in us. See, " *– Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.*" below. We may also be restrained from raising funds from foreign investors as a result of regulatory policies and frameworks.

48. *The services agreements entered with certain of our customers and vendors are required to be stamped in accordance with the relevant state stamp duty legislation and registered under the Registration Act, 1908. Any failure to register and/or appropriately pay stamp duty on such agreements may affect our ability to enforce such agreements.*

Certain services agreements we enter into with our customers and vendors are required to be stamped in accordance with the relevant state stamp duty legislation and registered under the Registration Act, 1908. Such agreements which are (i) unregistered, may be declared legally invalid/unenforceable or inadmissible as evidence in legal proceedings, (ii) if unstamped or insufficiently stamped, may be declared inadmissible as evidence in a court in India and we may be required to pay the stamp duty or additional stamp duty and fines as per the relevant Stamp Acts in the concerned states. Such payments could have an adverse effect on our business, results of operations, cash flows and financial condition. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered services agreements, we may not be able to effectively enforce our contractual rights arising out of such agreements which may have a material adverse impact on our business.

Certain of our services agreements entered in the past have not been registered as required under the Registration Act, 1908 and not stamped in accordance with the relevant state stamp duty legislation. There can be no assurance that all our agreements have been and will be registered in accordance with the requirements of the Registration Act, 1908 and that appropriate stamp duty has been and will be paid in respect of all such agreements. While we strive to register all our services agreements, we cannot assure you that we may be able to register and appropriately pay stamp duty in the future. Any failure to register and appropriately pay stamp duty may affect our ability to enforce such agreements which may cause disruptions in our operations. or result in legal proceedings, involving the Company and its officials, requiring us to devote management and financial resources in prosecution of such proceedings.

Further, in addition to inadmissibility and unenforceability of unregistered or unstamped/insufficiently stamped services agreements in a court of law which could result in the Company incurring financial liabilities due to adverse judgments and may cause reputational damage to our Company, any person, which may include the KMPs or other officials of our Company, who issues, endorses, transfers, signs or executes such services agreements which are not duly stamped, shall be punishable with a fine which may extend to five hundred rupees as per section 62 of the Stamp Act, 1899.

49. *Our use of open source software could adversely affect our ability to offer our products and services and subject us to possible litigation.*

We use certain open source software in connection with our development of technology infrastructure. From time-to-time, companies that use open source software have faced claims challenging the use of open source software and/or compliance with open source license terms. We could be subject to suits by parties claiming ownership of what we believe to be open source software, or claiming non-compliance with open source licensing terms. While there have not been any instances where third parties have claimed ownership of what we believe to be open source software and there has been no litigation against us in this regard in the past three Fiscals, there can be no assurance that no such instances or litigation may arise in future. Some open source licenses require users who distribute software containing open source to make available all or part of such software, which in some circumstances could include valuable proprietary code of the user. While we monitor the use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous. Any requirement to disclose our proprietary source code or pay damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop customer relationship and loyalty management products and services that are similar to or better than ours.

50. *Internal or external fraud or misconduct or misrepresentation or mis-selling by our employees could adversely affect our reputation and our results of operations.*

Our business may expose us to the risk of fraud, misappropriation or misrepresentation or unauthorized transactions by our representatives and employees which could result in binding us to transactions that exceed authorised limits or present unacceptable risks. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation or misrepresentation or mis-selling by our representatives and employees, which could adversely affect our goodwill. Employee misconduct or mis-selling or misrepresentation could also involve the improper use or disclosure of confidential information, breach of any applicable confidentiality agreement, misappropriation or misuse of any third-party intellectual property rights which could result in regulatory sanctions, penalties and serious reputational or financial harm. In addition, employees may utilize our confidential information and technology to start their own businesses and become our competitors. While we have not experienced any past instances of fraud, misconduct, misrepresentation, mis-selling of current and ex-employees, we cannot assure you that this will continue to be the case in the future. Further, although we have systems in place to prevent and deter fraudulent activities by our employees that include detailed background verification, a whistle blower policy and vigil mechanism policy, employee awareness sessions, and a separate committee that monitors such instances, there can be no assurance that such systems will be effective in all cases. Any instances of such fraud or misconduct or mis-selling could adversely affect our reputation, business, results of operations, cash flows and financial condition.

51. ***Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, cash flows and results of operations.***

We are required to obtain certain approvals, registrations, permissions and licenses from regulatory authorities, to carry out/ undertake our operations. These approvals, licenses, registrations and permissions may be subject to numerous conditions and we cannot assure you that we will be able to continuously meet such conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. For further information on the nature of approvals and licenses required for our business, see "*Government and Other Approvals*" on page 477.

The wordmark in relation to the name of our Company, "Capillary", is registered under class 9, however, our two applications for renewal under class 35 and 42 are currently pending before the Trade Marks Registry, Government of India. Additionally, we have applied for the registration of our Company logo, as well as various wordmarks and logos associated with our products. While the applications have successfully passed the formalities check with the relevant authorities, they have not been registered. While there have not been any instances in the past three Fiscals, where applications made by us for statutory approvals have been denied or refused to be renewed, there can be no assurance that applications for the aforementioned trademarks will not be denied, refused or renewed in future. Failure to secure registration or renewal of our wordmarks or logos could have a material adverse impact on our operations as it may (a) cause a loss of exclusive rights to use the trademark, allowing third-parties to use identical or deceptively similar marks and causing brand dilution, (b) expose the Company to litigation initiated by third parties claiming prior rights over marks similar to that of the Company, and (c) disrupt our marketing and branding strategies and prevent us from carrying out our business. Furthermore, the absence of registered trademarks may also result in loss of goodwill associated with our products and services, and incurring of significant costs and penalties to the Company.

Additionally, any unfavourable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations could require us to obtain additional licenses and approvals. Regulatory authorities could also impose notices and other orders on us if we fail to obtain any required licenses or approvals.

We may also face claims and incur significant liabilities if found liable or partially liable for any injuries, damages or losses. Claims against us may exceed the amount of our insurance coverage or may not be covered by insurance at all. Government authorities may also impose significant fines on us or require us to adopt costly preventive measures.

There is no assurance that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in imposition of penalties by relevant authorities, and may also prevent us from carrying out our business. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

Any of the foregoing could disrupt our services, cause us to incur substantial expenses and divert the time and attention of our management, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.

52. ***We have in this Draft Red Herring Prospectus included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the SaaS industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of SaaS businesses, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information.

These non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business. We have derived certain industry information in this Draft Red Herring Prospectus from the Zinnov Report, and the Zinnov Report highlights certain industry and market data relating to us and our competitors, which may not be based on any standard methodology and are subject to various assumptions.

Further, as the industry in which we operate continues to evolve, the measures by which we evaluate our business may change over time. In addition, if the internal tools we use to track these measures under-count or over-count performance or contain algorithmic or other technical errors, the data and/or reports we generate may not be accurate. We calculate measures using internal tools, which are not independently verified by a third party. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of the Restated Consolidated Financial Information of our Company disclosed elsewhere in this Draft Red Herring Prospectus. While we have not experienced any issues on account of such tools in the past, there can be no assurance that there will not be any issues or such tools will be accurate going forward. Also, see " – *Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned by and paid for by us for such purpose.*" on page 81.

53. ***After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company.***

As on the date of this Draft Red Herring Prospectus, our Promoters holds 67.79% of the issued share capital (except vested ESOPs) of our Company, and upon completion of the Offer, our Promoters will hold [●]% of our Equity Share capital). For details of their shareholding pre and post Offer, see "*Capital Structure*" on page 112. After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoters in the Company, please see *"Our Promoters and Promoter Group", "Our Management"* on pages 353 and 328 respectively.

54. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose.***

We have voluntarily availed the services of an independent third-party research agency, Zinnov appointed on February 19, 2025, to prepare an industry report titled *"Customer Loyalty and Engagement Software Market Overview"* dated June, 2025, exclusively for purposes of inclusion of such information in this Draft Red Herring Prospectus. Given the scope and extent of the Zinnov Report, disclosures are limited to certain excerpts and the Zinnov Report has not been reproduced in its entirety in the Draft Red Herring Prospectus. The report is a paid report that has been commissioned by our Company, and is subject to various limitations and based upon certain assumptions that are subjective in nature. Zinnov has, pursuant to their consent letter dated June 17, 2025, confirmed that they are an independent agency, and confirmed that they are not related to the Company, Promoters, Promoter Group, Group Company, Directors or Key Managerial Personnel. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

55. *Certain Directors and Key Managerial Personnel, are interested in our Company's performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration including fees and commission, if any, payable to them for attending meetings of the Board or committees thereof or benefits and reimbursement of expenses payable to them under the articles of association. For the payments that are made by our Company to related parties, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 33. Such interests are to the extent of their shareholding in the Company, Equity Shares that may be subscribed by and allotted to their relatives and the entities with which they are associated as promoters, directors, partners, proprietors, or trustees or to the companies, firms, and trusts, in which they are interested as directors, promoters, members, partners, and trustees, pursuant to the Offer and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares thereon. Additionally, certain of our Directors may be deemed to be interested in the contracts, transactions, agreements, or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners. We cannot assure you that our Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Directors or Key Managerial Personnel, may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

56. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.*

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 149 of this Draft Red Herring Prospectus. Our funding requirements are based on management estimates and our current business plans have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans.

Further, while our Company intends to utilise ₹ [●] million of the Net Proceeds for strategic investments and acquisitions, it has currently not estimated specific amounts that will be deployed towards such object. The exact amounts that will be utilised from the Net Proceeds towards funding our strategic investments and acquisitions will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identity and conclude inorganic acquisitions as well as general factors affecting our results of operations, financial condition and access to capital. Furthermore, our strategic investments and acquisitions could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Similarly, our investment in product development, investments in technology and other growth initiatives may not result in the desired growth (including in our user base) that we expect to achieve.

Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

57. *Any future issuance of Equity Shares or securities convertible into Equity Shares by us or sales of Equity Shares by our Promoters could adversely affect the trading price of the Equity Shares.*

As disclosed in "*Capital Structure*" on page 112, an aggregate of 20.00% of our fully diluted post-Offer capital held by our Promoters shall be considered as minimum Promoters' contribution and locked in for a period of three years and the Promoters shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of one year from the date of Allotment. There can be no assurance that we will not issue additional Equity Shares or that our Promoter will not sell, pledge or encumber the Equity Shares during the lock -in period, as permitted under applicable laws. Further, pursuant to the constitution of our Promoter, CTIPL, read with terms of indemnity and exit agreement executed amongst CTIPL and its shareholders, in the event CTIPL is participating as a Selling Shareholder in the Offer for Sale, then CTIPL is under an obligation to provide an exit to its shareholders in accordance with the terms specified therein, from the proceeds of such sale its Equity Shares in our Company in accordance with applicable laws. For further details, see "*History and Certain Corporate Matters – Other Material Agreements – Indemnity and Exit Agreement'*"" and "*– After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company.*" on pages 326 and 81, respectively. Such sales of Equity Shares by our Promoters could also adversely affect the trading price of the Equity Shares. Further, any future issuances of Equity Shares or convertible securities including issuance of Equity Shares to eligible employees (as defined in the ESOP 2021) could dilute the holdings of our Shareholders and adversely affect the trading price of the Equity Shares. Such securities may also be issued at prices below the Offer Price. Such securities may also be issued at prices below the Offer Price.

58. ***We have, in the last 12 months, issued Equity Shares at a price that could be lower than the Offer Price.***

We have issued Equity Shares at prices that could be lower than the Offer Price during the last one year from the date of this Draft Red Herring Prospectus. Set out below are the details of such issuances:

<table>
<tr><th>Date of Allotment</th><th>Number of Equity Shares Allotted</th><th>Face Value per Equity Share (₹)</th><th>Issue Price per Equity Share (₹)</th><th>Nature of Consideration</th><th>Nature of Allotment</th><th>Details of Allottees</th></tr>
<tr><td>January 18, 2025</td><td>94,785</td><td>2.00</td><td>526.70</td><td>Cash</td><td>Preferential allotment</td><td><table><tr><th>Name of allottee</th><th>Equity shares allotted</th></tr><tr><td>Filter Capital India Fund I</td><td>94,785</td></tr></table></td></tr>
</table>

The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing.

59. ***Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.***

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. While we have not experienced any material failures in our internal controls, we cannot assure you that this will be the case in the future, that our current internal controls are sufficient or that we will be able to maintain adequate internal controls. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business in future effectively may materially and adversely be affected.

60. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has not declared dividends in the past. While our declaration of dividends is at the discretion of our Board and subject to Shareholder approval as set out in the section titled "*Dividend Policy*" on page 359, the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our ability to pay dividends in the future will depend on a number of factors, including liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes including dividend distribution tax, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

61. *Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. While we have implemented internal controls to ensure compliance with applicable sanctions regulations and restrictions, since we carry on business with customers with global operations, we may not have any control over whether such customers transact business with entities subject to such sanctions regimes. Although we do believe that our operations are not in violation of any applicable sanctions regimes, if it were determined that our customers are involved in transactions that are in violation of any such sanctions regimes, we could be subject to penalties, and our reputation and future business prospects could be adversely affected.

62. *The average cost of acquisition of Equity Shares by the Selling Shareholders may be less than the Offer Price.*

The average cost of acquisition per Equity Share for the Selling Shareholders as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Weighted average cost of acquisition per equity shares of face value ₹ 2 each (in ₹)
Promoter Selling Shareholder			
	CTIPL#	48,008,006(1) (2)	34.75
Investor Selling Shareholders			
	Ronal Holdings LLC	5,524,350	308.00
	Trudy Holdings	3,290,769	319.33
	Filter Capital India Fund I	2,683,935	369.67
Individual Selling Shareholders			
	Sripathi Venkata Ramana Reddy	32,457	308.18
	Harminder Sahni	24,349	308.23
	Adarsh Reddy B	14,639	308.18
	Sudhakar Reddy Katanguri	10,384	308.21
	Sripathi Damodar Reddy	9,759	308.20
	Manjunath Nanjaiah	5,000	308.20

** As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*

 # Also, a Selling Shareholder.

(1) Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.

*(2) Excludes 1,128,650 equity shares of face value ₹2 each held by CTIPL given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser*

63. *Our Company will not receive any proceeds from the Offer for Sale.*

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. The proceeds from the Offer for Sale (after applicable deductions) will be transferred to each of the Selling Shareholders, in proportion to its respective portion of the Equity Shares transferred by each of them in the Offer for Sale and will not result in any creation of value for us or in respect of your investment in our Company.

External Risk Factors

64. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial position, cash flows and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions particularly North America, Asia and Europe, where most of our revenue from operations is generated. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our solutions may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

65. ***Anti-outsourcing legislation, if adopted in the countries where our customers are based, could adversely affect our business, cash flows, financial condition and results of operations and impair our ability to service our customers.***

The issue of companies outsourcing services to organisations operating in other countries is a topic of political discussion in many countries, including the United States, which is our largest source of revenue from operations. Given the on-going debate over this issue, the introduction and consideration of other restrictive legislation is possible. If enacted, such measures may broaden restrictions on outsourcing by federal and state government agencies and on government contracts with firms that outsource services directly or indirectly, impact private industry with measures such as tax disincentives or intellectual property transfer restrictions, and/or restrict the use of certain business visas. In the event that any of these measures becomes law, our ability to service our customers could be impaired and our business, financial condition, cash flows and results of operations could be adversely affected.

Current or prospective customers may elect to perform certain services themselves or may be discouraged from transferring services from onshore to offshore IT services providers to avoid negative perceptions that may be associated with using an offshore IT services provider. Any slowdown or reversal of the existing industry trends toward offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from within the country in which our customers operate. While we have not experienced any instances of anti-outsourcing legislation adversely affecting our business, financial condition, cash flows, or results of operations in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

66. ***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the

Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine, COVID-19 and more recently, the SARS-CoV-2 virus and the monkeypox virus. Future outbreaks of the COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

67. *Any adverse application or interpretation of the competition laws in India including the Competition Act, 2002, as amended, could adversely affect our business, results of operations and financial condition.*

The Competition Act, 2002, as amended ("**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India ("**CCI**") to prevent such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall also be guilty of the contravention and may be punished.

On March 4, 2011, the GoI notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may have an adverse impact on our business, financial condition, results of operations and prospects.

68. *A slowdown in economic growth in India could cause our business to suffer.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares. In addition, the recent decline in Indian markets is primarily due to significant sell-offs by Foreign Institutional Investors (FIIs) due to high valuations of Indian equities, a strengthening US dollar, and rising US bond yields, which have made US investments more attractive. Additionally, concerns over high inflation in India and weaker-than-expected corporate earnings have diminished investor certainty.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

69. ***A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing or refinance our outstanding debt. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

70. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing military conflicts between Russia and Ukraine and Israel and Hamas could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. Further, in 2025, in the United States, the Trump administration has continued to impose tariffs on Indian businesses as part of its "*Fair and Reciprocal Plan*". These tariffs target various sectors, including steel, aluminum, and other goods, aiming to address perceived trade imbalances. The tariffs have created additional pressure on Indian exporters, particularly in the IT sector, with Indian IT companies, which have significant business in the US, facing increased costs and uncertainties. This has led to a decline in stock prices for some major IT firms.

These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares.

71. *Changing laws, rules or regulations and legal uncertainties in India, including adverse application of taxation laws and regulations, may adversely affect our business, results of operations, financial condition and cash flows.*

The regulatory and policy environment in which we operate is evolving and is subject to change. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Further, any future amendments may affect our tax benefits such as exemptions for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemptions for interest received in respect of tax-free bonds, and long-term capital gains on equity shares. Changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

In addition, For instance, the GoI has recently introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour Codes**"). Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification dated December 18, 2020 and May 3, 2023, respectively, by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. For further information, see "*Key Regulations and Policies*" on page 294. The implementation of such laws may increase our employee costs, thereby adversely affecting our business, results of operations, cash flows and financial condition.

We cannot predict the impact of any changes in or interpretations of existing, or the promulgation of, new laws, rules and regulations applicable to us and our business. Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and expend resources relating to compliance with such new requirements, which may also require significant management time, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent maybe time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

72. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future. In such a case, our business, results of operations, financial condition and cash flows may be adversely affected

73. ***A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

74. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. A majority of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

75. *The trading volume and market price of the Equity Shares may be volatile following the Offer.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume;
- general geopolitical, economic and stock market conditions; and
- Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

76. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 169 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

77. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares immediately or at or above the Offer Price, or at all.*

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

78. ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares. The Finance Act, 2019 has clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the Government of India announced the union budget for Fiscal 2026, following which the Finance Act, 2025 ("**Finance Act**") received the President's assent on March 29, 2025 and became effective on April 1, 2025. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Investors are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares.

Further, any change in Indian tax laws could have an effect on our operations. For instance, the Income Tax Act, 1961 ("**IT Act**") was amended to provide domestic companies an option to pay corporate income tax at the effective rate of 25.17% (inclusive of applicable surcharge and health and education cess), as compared to an effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Additionally, the Union Cabinet, Government of India has recently approved the Income Tax Bill, 2025 which inter alia, proposes to amend the income tax regime and replace the Income Tax Act, 1961. The Income Tax Bill, 2025 is proposed to be enacted and come into force on April 1, 2026 There is no certainty on the impact of the Income Tax Bill, 2025, once enacted, on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

Another instance is that earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2021, which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we may be subject to tax related inquiries and claims. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

79. ***Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

80. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 538.

81. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Information for Fiscals 2025, 2024 and 2023 derived from our audited financial statements as at and for the years ended March 31, 2025, 2024 and 2023; each prepared in accordance with Indian Accounting Standard 34 (Ind AS 34) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and restated in accordance with the SEBI ICDR Regulations from time to time and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

82. ***The Offer Price of our Equity Shares, our price-to-earnings ratio and market capitalization to revenue from operations may not be indicative of the trading price of our Equity Shares upon listing on the Stock Exchanges subsequent to the Offer and, as a result, you may lose a significant part or all of your investment.***

Our revenue from operations for Fiscal 2025 was ₹ 5,982.59 million. Further, restated profit for the year for the Fiscal 2025 was ₹ 132.80 million. The table below provides details of price to earnings ratio and market capitalization to revenue from operations for Fiscal 2025:

Particulars	Ratio vis-à-vis Floor Price	Ratio vis-à-vis Cap Price
	(In multiples, unless otherwise specified)	
Market capitalization to revenue from operations	[●]	[●]
Price-to-earnings ratio	[●]	[●]

**To be populated at Prospectus stage.*

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, the Offer Price of the Equity Shares is determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section "*Basis for the Offer Price*" on page 169 and the Offer Price, multiples and ratios may not be indicative of the market price of our Company on listing or thereafter.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company, in consultation with the BRLMs, would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined shall be disclosed in the advertisement that would be issued for publication of the Price Band.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, we cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing. Further, the market price of the Equity Shares may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

83. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment pursuant to the Offer, within three Working Days from the Bid/ Offer Closing Date or such other timeline as may be prescribed under applicable law, events affecting the investors' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, or changes to our business or financial condition could arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events could limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

84. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

85. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder our Company than as a shareholder of an entity in another jurisdiction.

86. ***The requirements of being a publicly listed company may strain our resources.***

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

87. ***U.S. holders should consider the impact of the passive foreign investment company ("PFIC") rules in connection with an investment in our Equity Shares.***

A non-U.S. corporation will be a PFIC if either (i) 75% or more of its gross income is passive income or (ii) 50% or more of the total value of its assets is attributable to assets, including cash, that produce or are held for the production of passive income. Our Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Based on the current and expected composition of our Company's and the Subsidiaries income and assets, including the expected cash proceeds from this offering, our Company does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's and the Subsidiaries' income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

88. ***Subsequent to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measures and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**"). ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, customer concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net worth, other measures such as price-to-earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, limiting trading frequency or freezing of price on the upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

89. ***Indian legal principles may differ from those that would apply to a company in another jurisdiction. Thus, rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights, including in relation to class actions, under Indian law may not be similar to shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarises the details of the Offer:

Equity Shares offered	
Offer of equity shares of face value ₹2 each [(1)]	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
of which:	
Fresh Issue[(1)(4)(&)]	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹4,300 million
Offer for Sale[(2)]	Up to 18,331,386 equity shares of face value ₹2 each, aggregating up to ₹[●] million
Employee Reservation Portion[(7)(8)]	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
Accordingly,	
The Net Offer	Up to [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
The Offer comprises of:	
A) QIB Portion[(3)(4)(6)]	Not less than [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
of which:	
a. Anchor Investor Portion	Up to [●] equity shares of face value ₹2 each
b. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] equity shares of face value ₹2 each
of which:	
(a) Mutual Fund Portion [(5)]	[●] equity shares of face value ₹2 each
(b) Balance for all QIBs including Mutual Funds	[●] equity shares of face value ₹2 each
B) Non-Institutional Portion[(4)(6)]	Not more than [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	Up to [●] equity shares of face value ₹2 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	Up to [●] equity shares of face value ₹2 each
C) Retail Portion[(4)(6)]	Not more than [●] equity shares of face value ₹2 each, aggregating up to ₹[●] million
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	73,329,138 equity shares of face value ₹2 each
Equity Shares outstanding after the Offer	[●] equity shares of face value ₹2 each
Utilisation of Net Proceeds	See "*Objects of the Offer*" on page 149 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

[&] Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

Notes:

(1) The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on May 23, 2025. Our Shareholders authorised the Fresh Issue vide a special resolution passed in their EGM held on May 29, 2025.

(2) *Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, confirmed that its respective portion of the Offered Shares will be offered for sale in the Offer in accordance with Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to such Selling Shareholder, as on the date of this Draft Red Herring Prospectus. Each of the Selling Shareholders severally and not jointly, authorized its participation in the Offer for Sale to the extent of its respective portion of the Offered Shares in the Offer for Sale. Our Board of Directors have taken on record the authorizations for the Offer for Sale by the Selling Shareholders to, severally and not jointly, participate in the Offer for Sale pursuant to its resolution dated June 18, 2025. The details of their respective Offered Shares are as follows:*

Sr. No.	Name of the Selling Shareholder	Maximum number of Offered Shares and aggregate amount of offer for sale	Date of consent letter	Date of corporate action / authorisation
Promoter Selling Shareholder				
1.	CTIPL	Up to 14,211,104 equity shares of face value ₹2 each aggregating up to ₹ [●]	June 13, 2025	May 29, 2025
Investor Selling Shareholders				
2.	Ronal Holdings LLC	Up to 1,466,583 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 17, 2025	June 10, 2025
3.	Trudy Holdings	Up to 1,833,228 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 17, 2025	March 5, 2025
4.	Filter Capital India Fund I	Up to 759,938 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 16, 2025	May 13, 2025
Individual Selling Shareholders				
5.	Sripathi Venkata Ramana Reddy	Up to 10,800 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
6.	Harminder Sahni	Up to 24,349 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
7.	Adarsh Reddy B	Up to 10,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
8.	Sudhakar Reddy Katanguri	Up to 8,384 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
9.	Sripathi Damodar Reddy	Up to 3,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
10.	Manjunath Nanjaiah	Up to 4,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA

(3) *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 517.*

(4) *Subject to valid Bids being received at or above the Offer Price, undersubscription in any portion except the QIB Portion, would be allowed to be met with spill over from any other category, or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of under-subscription in the Offer as described in "Terms of the Offer – Minimum Subscription" on page 509, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the balance valid Bids will be made proportionately towards Fresh Issue and the Offered Shares. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*

(5) *Subject to valid Bids being received at, or above, the Offer Price.*

(6) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 517. The allocation to each Non-Institutional Investor shall not be less than the minimum Non-Institutional Investor application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. Further, (a) 1/3rd of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million and (b) 2/3rd of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors.*

(7) *The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million, however, an Eligible Employee may submit a Bid for a maximum Bid Amount of ₹0.50 million under the Employee Reservation Portion. Only in the event of an undersubscription in the Employee Reservation Portion, the unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million. The unsubscribed portion if any, in the Employee Reservation Portion (after allocation up to ₹0.50 million), shall be added back to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Issue and such Bids will not be treated as multiple Bids subject to applicable limits.*

(8) *Our Company, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.*

For details in relation to the terms of the Offer, see "*Terms of the Offer*" on page 504. For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on pages 512 and 517, respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023. The summary financial information presented below should be read in conjunction with the "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 367 and 423, respectively.

[*Remainder of this page has been intentionally left blank*]

Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited)
Summary of Restated Consolidated Statement of Assets and Liabilities
(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	34.27	31.21	22.56
(b) Goodwill	1,884.98	1,838.44	1,652.92
(c) Other Intangible assets	1,030.39	1,111.88	543.87
(d) Right-of-use assets	59.84	30.13	18.07
(e) Intangible assets under development	-	31.10	54.97
(f) Financial assets			
(i) Other financial assets	256.09	144.79	115.69
(g) Deferred tax assets (net)	5.62	6.83	-
(h) Other tax assets	79.88	43.06	50.53
(i) Other non-current assets	853.25	821.55	707.26
Total non-current assets	**4,204.32**	**4,058.99**	**3,165.87**
Current assets			
(a) Financial assets			
(i) Investments	-	699.25	-
(ii) Trade receivables	1,611.21	1,456.51	801.11
(iii) Cash and cash equivalents	2,140.71	1,806.68	462.00
(iv) Loans	-	399.99	-
(v) Other financial assets	33.93	27.70	159.07
(b) Other current assets	396.37	261.56	76.08
Total current assets	**4,182.22**	**4,651.69**	**1,498.26**
Total assets	**8,386.54**	**8,710.68**	**4,664.13**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	146.65	146.46	105.79
(b) Other equity	5,535.82	5,243.06	1,759.90
Total equity	**5,682.47**	**5,389.52**	**1,865.69**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	12.82	41.69	432.06
(ii) Lease liabilities	32.54	8.01	2.10
(iii) Other financial liabilities	-	18.53	18.53
(b) Provisions	80.71	66.11	43.24
(c) Deferred tax liabilities (net)	71.04	94.99	61.90
Total Non-current Liabilities	**197.11**	**229.33**	**557.83**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	988.12	729.97	1,042.65
(ii) Lease liabilities	30.78	23.42	17.94
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small	13.23	73.95	28.77
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	492.52	654.31	559.80
(iv) Other financial liabilities	145.39	204.83	130.26
(b) Other current liabilities	810.98	1,362.02	428.21
(c) Provisions	18.21	19.33	31.95
(d) Current tax liabilities (net)	7.73	24.00	1.03
Total current liabilities	**2,506.96**	**3,091.83**	**2,240.61**
Total liabilities	**2,704.07**	**3,321.16**	**2,798.44**
Total equity and liabilities	**8,386.54**	**8,710.68**	**4,664.13**

Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited)
Summary of Restated Consolidated Statement of Profit and Loss
(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
	Income			
I	Revenue from operations			
	- Retainership and other services	4,811.05	4,021.29	1,564.31
	- Installation revenue	1,100.31	746.69	419.56
	- Revenue from campaign services on a principal basis	-	483.02	569.85
	- Revenue from campaign services on an agent basis	71.23	-	-
II	Other income	136.10	103.40	108.81
III	**Total income (I+II)**	**6,118.69**	**5,354.40**	**2,662.53**
IV	**Expenses**			
	Cost of campaign services	-	417.03	482.86
	Professional and consultancy expenses	994.93	873.15	311.65
	Software and server charges	921.85	935.84	298.71
	Employee benefits expense	2,955.20	2,719.43	1,884.10
	Other expenses	460.98	423.86	268.60
	Total expenses (IV)	**5,332.96**	**5,369.31**	**3,245.92**
V	**Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (EBITDA)**	**785.73**	**(14.91)**	**(583.39)**
VI	Finance costs	77.88	177.08	112.39
VII	Depreciation and amortisation expenses	601.03	560.61	366.93
		678.91	**737.69**	**479.32**
VIII	**Restated profit/ (loss) before exceptional items and tax from continuing operations (V-VI-VII)**	**106.82**	**(752.60)**	**(1,062.71)**
IX	**Exceptional items**	-	-	113.82
X	**Restated profit/ (loss) before tax ((VIII-IX)**	**106.82**	**(752.60)**	**(948.89)**
XI	**Tax expenses/ (credit)**			
	(a) Current tax	(12.90)	1.93	(17.26)
	(b) Deferred tax credit	(21.82)	(71.02)	(46.07)
	Total tax credit	**(34.72)**	**(69.09)**	**(63.33)**
XII	**Restated profit/ (loss) for the year from continuing operations (X-XI)**	**141.54**	**(683.51)**	**(885.56)**
XIII	**Restated (loss)/ profit before tax from discontinued operations**	(8.54)	113.58	21.62
XIV	**Tax expense of discontinued operations**	0.20	23.85	13.25
XV	**Restated (loss) / profit from discontinued operations after tax (XIII-XIV)**	**(8.74)**	**89.73**	**8.37**
XVI	**Restated profit/ (loss) for the year (XII+XV)**	**132.80**	**(593.78)**	**(877.19)**
XVII	**Restated Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	(i) Exchange differences on translating financial statements of foreign operations	72.74	63.88	73.99
	Items that will not to be reclassified to profit or loss:			
	(i) Re-measurement losses on defined benefit plan	(4.24)	(4.06)	(4.92)
	Other comprehensive income for the year, net of tax	**68.50**	**59.82**	**69.07**
XVIII	**Restated total comprehensive income / (loss) for the year (XVI+ XVII)**	**201.30**	**(533.96)**	**(808.12)**
XIX	**Restated earnings/ (loss) per share (EPS)**			
	Restated EPS from continuing operations (face value - ₹ 2 each)			
	Basic (in ₹ per share)	1.93	(12.15)	(17.63)
	Diluted (in ₹ per share)	1.91	(12.15)	(17.63)
	Restated EPS from discontinued operations (face value - ₹ 2 each)			
	Basic (in ₹ per share)	(0.12)	1.59	0.17
	Diluted (in ₹ per share)	(0.12)	1.57	0.17
	Restated EPS from continuing and discontinued operations (face value - ₹ 2 each)			
	Basic (in ₹ per share)	1.81	(10.55)	(17.46)
	Diluted (in ₹ per share)	1.79	(10.55)	(17.46)

Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited)
Summary of Restated Consolidated Statement of Cash Flows
(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities			
Restated profit/ (loss) for the year from continuing operations before exceptional items and tax	**106.82**	**(752.60)**	**(1,062.71)**
Restated profit/ (loss) for the year from discontinued operations before tax	**(8.54)**	**113.58**	**21.62**
Adjustments to reconcile loss before tax to net cash flows			
Depreciation and amortisation expenses	621.98	582.20	395.68
Loss allowances under expected credit loss model	78.42	41.21	19.19
Share based payments	80.94	68.84	600.61
Profit on sale of investments	(76.53)	(17.55)	-
Fair value change in financials assets measured at fair value through statement of profit and loss	-	(9.59)	-
Interest income on income tax refund	(2.05)	(2.58)	(9.71)
Property, plant and equipment written off	0.81	2.31	-
Profit on sale of Property, plant and equipment	(0.62)	(0.51)	(0.06)
Interest income on corporate deposit	(25.18)	(6.50)	-
Provision / liabilities no longer required, written back	(0.18)	(26.07)	(38.22)
Unrealised exchange loss/ (gain) on foreign currency transactions (net)	9.76	(19.23)	48.80
Interest income on bank deposits and security deposit	(13.92)	(12.99)	(5.54)
Finance costs	68.53	168.30	102.98
Operating profit before working capital changes	**840.24**	**128.82**	**72.64**
Working capital adjustments :			
(Increase)/ Decrease in trade receivables	(242.89)	564.87	(289.29)
(Increase)/Decrease in other financial assets and other assets (current and non-current)	(178.91)	(705.71)	(16.28)
(Decrease)/ Increase in trade payable	(222.33)	139.69	(37.16)
Increase/ (Decrease) in provision	9.24	6.19	(10.15)
(Decrease)/Increase in non-current and current other financial & other liabilities	(629.01)	830.29	58.00
Cash (used in) / generated from operations	**(423.66)**	**964.15**	**(222.24)**
Direct taxes (paid) /refund, net	(38.33)	7.20	21.66
Net cash (used in)/ generated from operating activities (A)	**(461.99)**	**971.35**	**(200.58)**
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and intangible assets under development	(474.58)	(369.32)	(282.00)
Proceeds from sale of property, plant and equipment	0.62	2.31	-
Sale/ (purchase) of current investment, net	775.78	(672.11)	-
Corporate deposits placed	(400.00)	(399.99)	-
Proceeds from redemption of corporate deposits	799.99	-	-
Interest income on bank deposits	13.92	10.14	2.06
Interest income on corporate deposits	25.18	0.64	-
(Redemption of) / investment in bank deposits , net	(105.13)	(29.10)	40.34
Payment for acquisition of subsidiary	-	(387.82)	-
Advance towards acquisition of a subsidiary	-	-	(696.59)
Net cash generated from / (used in) investing activities (B)	**635.78**	**(1,845.25)**	**(936.19)**
C. Cash flow from financing activities			
Proceeds from issue of share capital, (including security premium)	49.92	1,337.43	820.60
Proceeds from issue of Non Convertible Debentures (NCDs)	-	50.00	544.00
Repayment of Non Convertible Debentures (NCDs)	(352.48)	(237.89)	-
Proceeds from issue of Compulsory Convertible Debentures (CCDs)	-	1,701.50	-
Repayment of long-term borrowings	-	(366.82)	(258.02)
Repayment of principal and interest portion of lease liabilities	(33.04)	(24.23)	(26.68)
Proceeds from short-term borrowings (net)	581.06	4.90	369.16
Finance costs paid	(64.62)	(166.91)	(75.42)
Surrender of employee stock options and re-purchase, net	(48.25)	(120.37)	(7.92)
Net cash generated from financing activities (C)	**132.59**	**2,177.61**	**1,365.72**
Net increase in cash and cash equivalents (A+B+C)	**306.38**	**1,303.71**	**228.95**
Cash and cash equivalents at the beginning of the year	1,806.68	462.00	291.94
Effect of exchange differences on cash and cash equivalents held in foreign currency	27.65	40.97	(58.89)
Cash and cash equivalents at the end of the year	**2,140.71**	**1,806.68**	**462.00**
Components of cash and cash equivalents			
Balances with banks			
- On current accounts	**2,140.71**	**1,806.68**	**462.00**
Total cash and cash equivalents	**2,140.71**	**1,806.68**	**462.00**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	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

	As at April 1, 2023	Cashflows	Non-cash movement	As at March 31, 2024
Non-current borrowings (including current maturities)	810.93	1,096.79	(1,541.34)	366.38
Current borrowings (excluding current maturities)	663.78	4.90	(263.40)	405.28

	As at April 1, 2022	Cashflows	Non-cash movement	As at March 31, 2023
Non-current borrowings (including current maturities)	496.97	285.98	27.98	810.93
Current borrowings (excluding current maturities)	292.44	369.16	2.18	663.78

GENERAL INFORMATION

Our Company was incorporated as Kharagpur Technologies Private Limited, a private limited company under the Companies Act, 1956 on March 15, 2012, and was granted the certificate of incorporation by the RoC. The name of our Company was subsequently changed to Capillary Technologies India Private Limited pursuant to a resolution passed by our Board on May 4, 2012 and a special resolution passed by our Shareholders at the EGM held on June 15, 2012, and a fresh certificate of incorporation was issued by the RoC on July 26, 2012. Upon the conversion of our Company to a public limited company, pursuant to a resolution passed by our Board on October 14, 2021 and a special resolution passed by our Shareholders on November 9, 2021, the name of our Company was changed to Capillary Technologies India Limited and the RoC issued a fresh certificate of incorporation on November 23, 2021. Further, the registered office of our Company was shifted to #360, bearing PID No.101/360, 15th Cross Rd., Sector 4, HSR Layout, Bengaluru 560 102, Karnataka, India, pursuant to a resolution passed the Board on September 6, 2023.

Registered Office and Corporate Office of our Company

The address of our Registered Office and Corporate Office is as set forth below:

Capillary Technologies India Limited
#360, bearing PID No.101/360
15th Cross Rd., Sector 4, HSR Layout
Bengaluru 560 102, Karnataka, India

For details pertaining to changes in the address of our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 306.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a. **Registration number**: 063060

b. **Corporate identity number**: U72200KA2012PLC063060

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Karnataka at Bangalore which is situated at the following address:

'E' Wing, 2nd Floor
Kendriya Sadana
Koramangala
Bengaluru – 560 034
Karnataka, India
E-mail: roc.bangalore@mca.gov.in

Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Neelam Dhawan	Chairperson and Independent Director	00871445	C3/10 DLF City Phase 1, Gurgaon - 122 002 Haryana, India
Aneesh Reddy Boddu	Managing Director and Chief Executive Officer	02214511	80 RBD Stillwaters situated at Silver County RD, Besides Harlur Lake, Bengaluru - 560 102 Karnataka, India
Anant Choubey	Whole-time Director, Chief Financial Officer and Chief Operating Officer	06536413	149/7 Street 1, Behind Durga Mandir, Maitri Kunj, Civic Centre Bhilai S.O., Durg - 490 006 Chhattisgarh, India

Name	Designation	DIN	Address
Farid Lalji Kazani	Independent Director	06914620	1101, Nook Apartments, S.V. Road, Santacruz West, Mumbai - 400 054, Maharashtra, India
Venkat Ramana Tadanki	Independent Director	00149481	18 Canyonwood, Irvine, CA, USA, 92620
Peeyush Ranjan	Independent Director	11069839	4233 E Lake Sammamish Shore Ln Se, Sammamish, Wa 98075-7442

For further details of our Board of Directors, see "*Our Management*" on page 328.

Company Secretary and Compliance Officer

Gireddy Bhargavi Reddy is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Gireddy Bhargavi Reddy
#360, bearing PID No.101/360
15th Cross Rd, Sector 4, HSR Layout
Bengaluru 560 102, Karnataka, India
Tel.: +9180 4122 5179
E-mail: investorrelations@capillarytech.com

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appsaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +9122 6630 3030
E-mail: capillary.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)
24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013, Maharashtra, India
Tel: +9122 4646 4728
E-mail: capillary.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Dhruv Bhavsar/ Pawan Kumar Jain
SEBI Registration No.: INM000010940

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11, Plot F
Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
Tel: +9122 4037 4037
E-mail: capillaryipo@nomura.com
Investor Grievance E-mail: investorgrievances-in@nomura.com
Website: http://www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Vishal Kanjani/ Kshitij Thakur
SEBI Registration No.: INM000011419

Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No	Activity	Responsibility	Co-ordinator (s)
1.	Capital structuring, positioning strategy, due diligence of the Company including its operations/management, legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	All BRLMs	JM Financial
2.	Drafting and approval of statutory advertisements.	All BRLMs	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including audio visual presentation, corporate advertising, brochure, and filing of media compliance report.	All BRLMs	Nomura
4.	Appointment of intermediaries –Registrar to the Issue, advertising agency, printers to the Issue including co-ordination for agreements to be entered into with such intermediaries.	All BRLMs	JM Financial
5.	Appointment of intermediaries – Bankers to the Issue, monitoring agency, Sponsor Banks and other intermediaries including co-ordination for agreements to be entered into with such intermediaries.	All BRLMs	IIFL
6.	Preparation of road show presentation and frequently asked questions.	All BRLMs	Nomura
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings. • Finalizing international road show and investor meeting schedules.	All BRLMs	Nomura
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	All BRLMs	JM Financial
9.	Retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising commission structure • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material • Non-institutional marketing of the Offer, which will cover, inter alia, i. Finalising media, marketing and public relations strategy including list of frequently asked questions at non-institutional road shows; and ii. Finalising centres for holding conferences for brokers, etc.;	All BRLMs	IIFL
10.	Managing the book and finalization of pricing in consultation with the Company.	All BRLMs	JM Financial
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading.	All BRLMs	Nomura
12.	Coordination with Stock Exchanges anchor coordination, anchor CAN and intimation of anchor allocation and submission of letters to regulators post completion of anchor allocation.	All BRLMs	IIFL
13.	Post bidding activities including mock trading, management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment, and finalization of advertisement for basis of offer price or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds/unblocking of application monies and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.	All BRLMs	IIFL

Sr. No	Activity	Responsibility	Co-ordinator (s)
	Payment of the applicable securities transactions tax/with-holding tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for submission of all post Offer reports including the final Offer Issue report to SEBI.		

Legal counsel to our Company as to Indian Law

Khaitan & Co
Embassy Quest
3rd Floor, 45/1 Magrath Road
Bengaluru – 560 025
Karnataka, India
Tel: +91 80 4339 7000
E-mail: capillary.ipo@khaitanco.com

Registrar to the Offer

MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)
C-101, 247 Park, 1st Floor,
L B S Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
Website: https://in.mpms.mufg.com/
Investor Grievance ID: capillarytechnologies.ipo@in.mpms.mufg.com
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Banker(s) to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and for a list of the Designated SCSB Branches with which a UPI Bidder may submit the Bid cum Application Forms, is available at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and the SEBI ICDR Master Circular, UPI Bidders may apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, as updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and email address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and email address, is provided on the websites of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 and the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and at https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received the written consent dated June 18, 2025 from Walker Chandiok & Co LLP, holding a valid peer review certificate from ICAI, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated June 18, 2025 on our Restated Consolidated Financial Information; and (ii) their report dated June 18, 2025 on the statement of possible special tax benefits available to the Company and its Shareholders in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 18, 2025 from Saini Pati Shah & Co LLP, with FRN 137904W/W100622, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 14, 2025 from Ecra Pte. Ltd., Tax Agents, as independent chartered accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter dated June 14, 2025 on the statement of special tax benefits available to CPL being a Material Subsidiary of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 13, 2025 from PBG Associates Ltd., Chartered Accountants, as independent chartered accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter dated June 13, 2025 on the statement of special tax benefits available to Capillary Europe being a Material Subsidiary of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 14, 2025 from TruAnalyst Solutions LLP, Certified Public Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter dated June 14, 2025 on the statement of special tax benefits available to CTL and Capillary Brierley being Material Subsidiaries of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Statutory Auditors to our Company

Walker Chandiok & Co LLP
#65/02, Bagmane Tridib,
Block A, 5th Floor,
Bagmane Tech Park,
CV Raman Nagar,
Bengaluru - 560 093
Karnataka, India
E-mail: aasheesh.singh@walkerchandiok.in

Tel.: +91 80 4243 0700
Firm registration number: 001076N/N500013
Peer review certificate number: 020566

Change in Auditors

There has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Bankers to our Company

HDFC Bank Limited
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013
Tel: 61606161
Contact Person: Sebastian Alapatt
Website: www.hdfcbank.com
Email ID: loansupport@hdfcbank.com

Grading of the Offer

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

Appraising Entity

No appraising entity has been appointed in relation to the Offer. For further information, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.*" on page 82.

Monitoring Agency

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Gross Proceeds from the Fresh Issue prior to the filing of the Red Herring Prospectus. For details in relation to the proposed utilisation of the Net Proceeds, see the section titled "*Objects of the Offer*" on page 149.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustee

As the Offer is of Equity Shares, the appointment of debenture trustee is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular.

A copy of this Draft Red Herring Prospectus will also be filed at the following address:

Securities and Exchange Board of India
Corporation Finance Department

Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai, 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal of MCA.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot size will be decided by our Company, in consultation with the BRLMs, and will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. For details, see "*Offer Procedure – Book Building Procedure*" on page 518.

All Bidders, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. UPI Bidders shall participate through the ASBA process using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Pursuant to SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors subject to the Bid Amount being upto ₹0.20 million, and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as may be introduced under applicable laws. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 504 and 517, respectively.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, and illustration of the Book Building Process and the price discovery process see "*Offer Procedure*", "*Offer Structure*" and "*Terms of the Offer*" beginning on pages 517, 512 and 504, respectively. For details in relation to filing of this Draft Red Herring Prospectus see "*-Filing*" on page 109.

Underwriting Agreement

Prior to the filing of the Red Herring Prospectus or the Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement.

Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement, by and amongst the Company, Selling Shareholders and the Underwriters, has not been executed as on the date of Draft Red Herring Prospectus and will be executed prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable. This portion has been intentionally left blank and will be filled in before filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable)

Name, address, telephone and email of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and actual allocation in accordance with the SEBI ICDR Regulations, and will be subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act read with the SEBI Merchant Bankers Regulations or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus is as set forth below:

(in ₹, except share data or indicated otherwise)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	125,000,000 equity shares of face value ₹2 each	250,000,000	-
	100,000 preference shares of face value ₹10 each	1,000,000	-
	Total	**251,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	73,329,138 equity shares of face value ₹2 each	146,658,276	-
	Total	**146,658,276**	
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] equity shares of face value ₹2 each aggregating up to ₹ [●] million (1) comprising of:	[●]	[●]
	i. Fresh Issue of up to [●] equity shares of face value ₹2 each aggregating up to ₹ 4,300.00 million (2) (3)	[●]	[●]
	ii. Offer for Sale of up to 18,331,386 equity shares of face value ₹2 each by the Selling Shareholders aggregating up to ₹ [●] million (3)	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] equity shares of face value ₹2 each aggregating up to ₹[●] million (4)	[●]	[●]
	Net Offer of up to [●] equity shares of face value ₹2 each aggregating up to ₹[●] million	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] equity shares of face value ₹2 each	[●]	[●]
E	**SECURITIES PREMIUM**		
	Before the Offer (*in ₹ million*)		5,930.48
	After the Offer		[●]

* *To be updated upon finalization of the Offer Price.*

(1) *The Offer has been authorized by our Board pursuant to its resolution dated May 23, 2025 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution dated May 29, 2025. Each of the Selling Shareholders have, severally and not jointly, authorised its participation in the Offer for Sale to the extent of its respective portion of the Offered Shares in the Offer for Sale. Our Board of Directors have taken on record such authorizations of the Selling Shareholders to participate in the Offer pursuant to resolution passed in its meeting held on June 18, 2025. See "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 487.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

(3) *Each of the Selling Shareholder, severally and not jointly, confirms that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 and Regulation 8A of the SEBI ICDR Regulations. In accordance with Regulation 8A of the SEBI ICDR Regulations: (i) the number of Equity Shares offered for sale by Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of our Company, does not exceed more than 50% of their respective pre-Offer shareholding; and (ii) the number of Equity Shares offered for sale by Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of our Company, does not exceed more than 10% of the pre-Offer shareholding of the Company.*

(4) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). Our Company, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.*

Changes in the authorized share capital of our Company

For details of the changes to the authorized share capital of our Company in the past 10 years, see *"History and Certain Corporate Matters – Amendments to the Memorandum of Association"* on page 307.

Notes to the Capital Structure

1. **Equity Share capital history of our Company**

The following table sets forth the history of the Equity Share capital of our Company:

<table>
<tr><th>Date of allotment/buy-back</th><th>Number of equity shares allotted/ bought back</th><th>Face value per equity share (₹)</th><th>Issue/(buy-back) price per equity share (₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Details of allottees</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (₹)</th></tr>
<tr><td>March 15, 2012^</td><td>10,000</td><td>10.00</td><td>10.00</td><td>Cash</td><td>Initial subscription to the MoA</td><td><table><tr><th>Name of allottee</th><th>Equity shares allotted</th></tr><tr><td>Bollam Sridhar</td><td>5,000</td></tr><tr><td>Piyush Goel</td><td>5,000</td></tr></table></td><td>10,000</td><td>100,000</td></tr>
<tr><td>May 4, 2012##&&@@</td><td>934,138</td><td>10.00</td><td>10.00</td><td>Cash</td><td>Further issue</td><td><table><tr><th>Name of allottee</th><th>Equity shares allotted</th></tr><tr><td>CTIPL (formerly Solus Investments Pte. Ltd.)</td><td>934,138</td></tr></table></td><td>944,138</td><td>9,441,380</td></tr>
<tr><td>May 30, 2012##&&@@</td><td>823,759</td><td>10.00</td><td>10.00</td><td>Cash</td><td>Further issue</td><td><table><tr><th>Name of allottee</th><th>Equity shares allotted</th></tr><tr><td>CTIPL (formerly Solus Investments Pte. Ltd.)</td><td>823,759</td></tr></table></td><td>1,767,897</td><td>17,678,970</td></tr>
<tr><td>December 29, 2012##&&@@</td><td>64,555</td><td>10.00</td><td>1,810.00</td><td>Cash</td><td>Further issue</td><td><table><tr><th>Name of allottee</th><th>Equity shares allotted</th></tr><tr><td>CTIPL</td><td>64,555</td></tr></table></td><td>1,832,452</td><td>18,324,520</td></tr>
<tr><td>July 1, 2013##&&@@</td><td>63,888</td><td>10.00</td><td>1,810.00</td><td>Cash</td><td>Further issue</td><td><table><tr><th>Name of allottee</th><th>Equity shares allotted</th></tr><tr><td>CTIPL</td><td>63,888</td></tr></table></td><td>1,896,340</td><td>18,963,400</td></tr>
</table>

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 27, 2015[&&@@]	81,237	10.00	1,830.00	Cash	Rights issue (1)	**Name of allottee** | **Equity shares allotted** CTIPL | 81,237	1,977,577	19,775,770
August 10, 2015[&&@@]	70,522	10.00	1,830.01	Cash	Rights issue (2)	**Name of allottee** | **Equity shares allotted** CTIPL | 70,522	2,048,099	20,480,990
November 20, 2015[&&@@]	112,413	10.00	1,830.00	Cash	Rights issue (3)	**Name of allottee** | **Equity shares allotted** CTIPL | 112,413	2,160,512	21,605,120
March 25, 2016[&&@@]	20,153	10.00	1,309.98	Cash	Rights issue (4)	**Name of allottee** | **Equity shares allotted** CTIPL | 20,153	2,180,665	21,806,650
March 31, 2016[&&@@]	162,714	10.00	1,309.99	Cash	Rights issue (4)	**Name of allottee** | **Equity shares allotted** CTIPL | 162,714	2,343,379	23,433,790
March 23, 2017	(10,000)	10.00	10.00	Cash	Buy-back (5)	**Name of allottee** | **Equity shares allotted** Bollam Sridhar | (5,000) Piyush Goel | (5,000)	2,333,379	23,333,790
August 31, 2021	58,836	10.00	8,840.00	Cash	Rights issue (6)	**Name of allottee** | **Equity shares allotted** CTIPL | 58,836	2,392,215	23,922,150
October 5, 2021	5	10.00	8,840.00	Cash	Preferential allotment	**Name of allottee** | **Equity shares allotted** i. Piyush Goel | 1 ii. Piyush Kumar | 1 iii. Subhro Chakraborty | 1	2,392,220	23,922,200

<table>
<tr><th>Date of allotment/buy-back</th><th>Number of equity shares allotted/ bought back</th><th>Face value per equity share (₹)</th><th>Issue/(buy-back) price per equity share (₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Details of allottees</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (₹)</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td><table>
<tr><td>iv. Shandilya ASP</td><td>1</td></tr>
<tr><td>v. Rohan Anil Mahadar</td><td>1</td></tr>
</table></td><td></td><td></td></tr>
<tr><td>November 16, 2021</td><td>24,419</td><td>10.00</td><td>7,712.00</td><td>Cash</td><td>Preferential allotment</td><td><table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
<tr><td>i. Aditya Reddy Boddu</td><td>958</td></tr>
<tr><td>ii. Sudhakar Reddy Katanguri</td><td>415</td></tr>
<tr><td>iii. Sripathi Venkata Ramana Reddy</td><td>1,297</td></tr>
<tr><td>iv. Sripathi Damodar Reddy</td><td>390</td></tr>
<tr><td>v. Mohan Boddu Reddy</td><td>1,946</td></tr>
<tr><td>vi. Adarsh Reddy B</td><td>585</td></tr>
<tr><td>vii. Pavani Pulla Reddy</td><td>454</td></tr>
<tr><td>viii. Sudheer Reddy Nalamada</td><td>390</td></tr>
<tr><td>ix. Anant Choubey</td><td>1,946</td></tr>
<tr><td>x. Alok Choubey</td><td>325</td></tr>
<tr><td>xi. Satish Kumar Choubey*</td><td>325</td></tr>
<tr><td>xii. Raghu Vishwanathan</td><td>623</td></tr>
<tr><td>xiii. Naween Kumar</td><td>390</td></tr>
<tr><td>xiv. Lalit Sharma</td><td>844</td></tr>
<tr><td>xv. Rohan Anil Mahadar</td><td>390</td></tr>
<tr><td>xvi. Gaurav Singh Bhadoria</td><td>390</td></tr>
<tr><td>xvii. Rajat Kothari</td><td>1,038</td></tr>
<tr><td>xviii. Arun Radhakrishnan Naikar</td><td>520</td></tr>
<tr><td>xix. Siddhant Jain</td><td>390</td></tr>
</table></td><td>2,416,639</td><td>24,166,390</td></tr>
</table>

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						xx. Ishant Jindal: 390 xxi. Bollam Sridhar: 390 xxii. Mahendra Chordia: 649 xxiii. Sunil M Jain: 649 xxiv. William Leon Jansen: 389 xxv. R Vijay: 520 xxvi. D Kiran: 390 xxvii. Shivanarayana Rayapati: 390 xxviii. Yamini Preethi Natti: 195 xxix. Nareshbhat Ullal Chavadi**: 649 xxx. CM Subhod: 390 xxxi. Keval Prabhu: 390 xxxii. Manjunath Nanjaiah: 390 xxxiii. Spring Innovation Technology India Private Limited: 973 xxxiv. Harmeet Padhy: 390 xxxv. InfoSoft Global Private Limited: 2,594 xxxvi. Indus Net Technologies Private Limited: 585 xxxvii. Nagarajan Shanmugam: 480		
November 20, 2021	5,920	10.00	7,712.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** i. Anuradha Sunil Didwania: 390	2,422,559	24,225,590

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						ii. Nagesh Satyanarayan Basavanhalli*** – 454 iii. Gopalkrishna Shanmugham – 1,168 iv. Munjaluri Nagabhushana Rao# – 390 v. Anjali Bansal – 1,439 vi. Peddi Satyanarayana Chaitanya – 390 vii. Jayant Prasad Paleti – 519 viii. Venkat Pavan Rohit Chennamaneni – 390 ix. Sunil Madanlal Agarwal – 390 x. Sumedha Gopalkrishna – 390		
November 20, 2021	17,098	10.00	7,711.35(7)	Cash (7)	Conversion of 14,915 CCPS to equity shares	**Name of allottee – Equity shares allotted** i. Ambarish Raghuvanshi – 1,298 ii. Sameer Garde – 260 iii. Neelam Dhawan – 973 iv. Venkat Ramana Tadanki – 4,772 v. Farid Lalji Kazani – 4,215 vi. Saikiran Krishnamurthy – 390 vii. Sanjiv Rangrass – 649 viii. Saluguti Vikas – 2,270 ix. Vivasan Associates LLP – 1,298 x. Harminder Sahni$ – 973	2,439,657	24,396,570

<table>
<tr><th>Date of allotment/buy-back</th><th>Number of equity shares allotted/ bought back</th><th>Face value per equity share (₹)</th><th>Issue/(buy-back) price per equity share (₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Details of allottees</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (₹)</th></tr>
<tr><td colspan="9">Pursuant to a resolution of our Board passed in their meeting held on November 16, 2021, and a resolution of our Shareholders passed in their EGM held on November 17, 2021, each fully paid-up share of our Company of face value ₹10 was split into 5 equity shares of ₹2 each, and accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 2,439,657 equity shares of ₹10 each to 12,198,285 equity shares of ₹2 each.</td></tr>
<tr><td>November 26, 2021</td><td>37,814,671</td><td>2.00</td><td>N.A.</td><td>N.A.</td><td>Bonus issue [(8)]</td><td>
<table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
<tr><td>i. CTIPL</td><td>37,079,317</td></tr>
<tr><td>ii. Bollam Sridhar</td><td>15</td></tr>
<tr><td>iii. Piyush Goel</td><td>15</td></tr>
<tr><td>iv. Piyush Kumar</td><td>15</td></tr>
<tr><td>v. Subhro Chakraborty</td><td>15</td></tr>
<tr><td>vi. Shandilya ASP</td><td>15</td></tr>
<tr><td>vii. Rohan Anil Mahadar</td><td>6,060</td></tr>
<tr><td>viii. Aditya Reddy Boddu</td><td>14,849</td></tr>
<tr><td>ix. Sudhakar Reddy Katanguri</td><td>6,432</td></tr>
<tr><td>x. Sripathi Venkata Ramana Reddy</td><td>20,103</td></tr>
<tr><td>xi. Sripathi Damodar Reddy</td><td>6,045</td></tr>
<tr><td>xii. Mohan Boddu Reddy</td><td>30,163</td></tr>
<tr><td>xiii. Adarsh Reddy B</td><td>9,067</td></tr>
<tr><td>xiv. Pavani Pulla Reddy</td><td>7,037</td></tr>
<tr><td>xv. Sudheer Reddy Nalamada</td><td>6,045</td></tr>
<tr><td>xvi. Anant Choubey</td><td>30,163</td></tr>
<tr><td>xvii. Alok Choubey</td><td>5,037</td></tr>
<tr><td>xviii. Satish Kumar Choubey*</td><td>5,037</td></tr>
<tr><td>xix. Raghu Viswanathan</td><td>9,656</td></tr>
<tr><td>xx. Naween Kumar</td><td>6,045</td></tr>
<tr><td>xxi. Lalit Sharma</td><td>13,082</td></tr>
</table>
</td><td>50,012,956</td><td>100,025,912</td></tr>
</table>

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						xxii. Gaurav Singh Bhadoria	6,045		
						xxiii. Rajat Kothari	16,089		
						xxiv. Arun Radhakrishnan Naikar	8,060		
						xxv. Siddhant Jain	6,045		
						xxvi. Ishant Jindal	6,045		
						xxvii. Bollam Sridhar	6,045		
						xxviii. Mahendra Chordia	10,059		
						xxix. Sunil M Jain	10,059		
						xxx. William Leon Jansen	6,029		
						xxxi. R Vijay	8,060		
						xxxii. D Kiran	6,045		
						xxxiii. Shivanarayana Rayapati	6,045		
						xxxiv. Yamini Preethi Natti	3,022		
						xxxv. Nareshbhat Ullal Chavadi**	10,059		
						xxxvi. CM Subhod	6,045		
						xxxvii. Keval Prabhu	6,045		
						xxxviii. Manjunath Nanjaiah	6,045		
						xxxix. Spring Innovation Technology India Private Limited	15,081		
						xl. Harmeet Padhy	6,045		
						xli. InfoSoft Global Private Limited	40,207		
						xlii. Indus Net Technologies Private Limited	9,067		

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						xliii. Nagarajan Shanmugam	7,440		
						xliv. Anuradha Sunil Didwania	6,045		
						xlv. Nagesh Satyanarayan Basavanhalli***	7,037		
						xlvi. Gopalkrishna Shanmugham	18,104		
						xlvii. Munjaluri Nagabhushana Rao[#]	6,045		
						xlviii. Anjali Bansal	22,304		
						xlix. Peddi Satyanarayana Chaitanya	6,045		
						l. Jayant Prasad Paleti	8,044		
						li. Venkat Pavan Rohit Chennamaneni	6,045		
						lii. Sunil Madanlal Agarwal	6,045		
						liii. Sumedha Gopalkrishna	6,045		
						liv. Ambarish Raghuvanshi	20,119		
						lv. Sameer Garde	4,030		
						lvi. Neelam Dhawan	15,081		
						lvii. Venkat Ramana Tadanki	73,966		
						lviii. Farid Lalji Kazani	65,332		
						lix. Saikiran Krishnamurthy	6,045		
						lx. Sanjiv Rangrass	10,059		
						lxi. Saluguti Vikas	35,185		
						lxii. Vivasan Associates LLP	20,119		
						lxiii. Harminder Sahni	15,081		

<table>
<tr><th>Date of allotment/buy-back</th><th>Number of equity shares allotted/ bought back</th><th>Face value per equity share (₹)</th><th>Issue/(buy-back) price per equity share (₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Details of allottees</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (₹)</th></tr>
<tr><td>March 29, 2023&</td><td>214,656</td><td>2.00</td><td>N.A.</td><td>N.A.</td><td>Bonus issue (9)</td><td>
<table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
<tr><td>i. Adarsh Reddy B</td><td>2,647</td></tr>
<tr><td>ii. Aditya Reddy Boddu</td><td>4,335</td></tr>
<tr><td>iii. Ajay Gupta</td><td>1,764</td></tr>
<tr><td>iv. Ambarish Raghuvanshi</td><td>5,873</td></tr>
<tr><td>v. Anjali Bansal</td><td>6,511</td></tr>
<tr><td>vi. Arun Radhakrishnan Naikar</td><td>2,353</td></tr>
<tr><td>vii. Bollam Sridhar</td><td>1,769</td></tr>
<tr><td>viii. CM Subhod</td><td>1,764</td></tr>
<tr><td>ix. D Kiran</td><td>1,764</td></tr>
<tr><td>x. Farid Lalji Kazani</td><td>11,037</td></tr>
<tr><td>xi. Sumedha Gopalakrishna</td><td>1,764</td></tr>
<tr><td>xii. Harmeet Padhy</td><td>1,764</td></tr>
<tr><td>xiii. Harminder Sahni</td><td>4,403</td></tr>
<tr><td>xiv. Jayant Prasad Paleti</td><td>2,348</td></tr>
<tr><td>xv. Keval Prabhu</td><td>1,764</td></tr>
<tr><td>xvi. Munjaluri Nagabhushana Rao#</td><td>1,764</td></tr>
<tr><td>xvii. Nagesh Satyanarayan Basavanhalli***</td><td>2,054</td></tr>
<tr><td>xviii. Naween Kumar</td><td>1,764</td></tr>
<tr><td>xix. Neelam Dhawan</td><td>4,403</td></tr>
<tr><td>xx. Pavani Pulla Reddy</td><td>2,054</td></tr>
<tr><td>xxi. Piyush Kumar</td><td>4</td></tr>
<tr><td>xxii. Ravi Shankar Jandhyala</td><td>2,207</td></tr>
<tr><td>xxiii. S Gopal Krishna</td><td>5,285</td></tr>
<tr><td>xxiv. Saluguti Vikas</td><td>10,272</td></tr>
</table>
</td><td>50,227,612</td><td>100,455,224</td></tr>
</table>

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees		Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						xxv. Sanjiv Rangrass	2,936		
						xxvi. Shandilya ASP	4		
						xxvii. Spring Innovation Technology India Private Limited	4,403		
						xxviii. Srikrishna Vadrevu	2,207		
						xxix. Sripathi Damodar Reddy	1,764		
						xxx. Sudheer Reddy Nalamada	1,764		
						xxxi. Sunil M Jain	2,936		
						xxxii. Sunil Madanlal Agarwal	1,764		
						xxxiii. Subhro Chakroborty	4		
						xxxiv. Venkat Ramana Tadanki[@]	21,595		
						xxxv. Venkat Ramana Tadanki[@]	2,207		
						xxxvi. William Leon Jansen	1,760		
						xxxvii. Yamini Preethi Natti	882		
						xxxviii. Alok Choubey	1,470		
						xxxix. Anant Choubey	8,806		
						xl. Gaurav Singh Bhadoria	1,764		
						xli. Indus Net Technologies Private Limited	2,647		
						xlii. Infosoft Global Private Limited	11,738		
						xliii. Ishant Jindal	1,764		
						xliv. Lalit Sharma	3,819		
						xlv. Mahendra Chordia	2,936		

<table>
<tr><th>Date of allotment/buy-back</th><th>Number of equity shares allotted/ bought back</th><th>Face value per equity share (₹)</th><th>Issue/(buy-back) price per equity share (₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Details of allottees</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (₹)</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td><table>
<tr><td>xlvi. Manjunath Nanjaiah</td><td>1,764</td></tr>
<tr><td>xlvii. Mohan Boddu Reddy</td><td>8,806</td></tr>
<tr><td>xlviii. Nagarajan Shanmugam</td><td>2,172</td></tr>
<tr><td>xlix. Nareshbhat Ullal Chavadi**</td><td>2,936</td></tr>
<tr><td>l. Peddi Satyanarayana Chaitanya</td><td>1,764</td></tr>
<tr><td>li. Piyush Goel</td><td>4</td></tr>
<tr><td>lii. R Vijay</td><td>2,353</td></tr>
<tr><td>liii. Raghu Vishwanthan</td><td>2,819</td></tr>
<tr><td>liv. Rajat Kothari</td><td>4,697</td></tr>
<tr><td>lv. Rohan Anil Mahadar</td><td>1,769</td></tr>
<tr><td>lvi. Saikiran Krishnamurthy</td><td>1,764</td></tr>
<tr><td>lvii. Sameer Garde</td><td>1,176</td></tr>
<tr><td>lviii. Satish Kumar Choubey*</td><td>2,884</td></tr>
<tr><td>lix. Shivanarayana Rayapati</td><td>1,764</td></tr>
<tr><td>lx. Siddhant Jain</td><td>1,764</td></tr>
<tr><td>lxi. Sripathi Venkata Ramana Reddy</td><td>5,869</td></tr>
<tr><td>lxii. Sudhakar Reddy Katanguri</td><td>1,877</td></tr>
<tr><td>lxiii. Venkat Pavan Rohit Chennamaneni</td><td>1,764</td></tr>
<tr><td>lxiv. Vivasan Associates LLP</td><td>5,873</td></tr>
</table></td><td></td><td></td></tr>
<tr><td>March 29, 2023</td><td>2,664,285</td><td>2.00</td><td>308.00</td><td>Cash</td><td>Preferential allotment</td><td><table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
</table></td><td>52,891,897</td><td>105,783,794</td></tr>
</table>

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Trudy Holdings (formerly known as Avataar Holdings): 2,664,285		
April 17, 2023	465,249	2.00	308.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** Trudy Holdings (formerly known as Avataar Holdings): 465,249	53,357,146	106,714,292
June 27, 2023	324,676	2.00	308.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** Filter Capital India Fund I: 324,676	53,681,822	107,363,644
August 3, 2023	535,715	2.00	308.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** Indus Holdings Limited: 535,715	54,217,537	108,435,074
August 11, 2023	487,014	2.00	308.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** Filter Capital India Fund I: 487,014	54,704,551	109,409,102
September 29, 2023&	48,304	2.00	308.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** GGSA Rzr Global LLC: 48,304	54,752,855	109,505,710
October 5, 2023&	35,675	2.00	308.00	Cash	Preferential allotment	**Name of allottee** / **Equity shares allotted** GGSA Rzr Global LLC: 35,675	54,788,530	109,577,060
November 15, 2023	571,064	2.00	2.00	Cash	Allotment under ESOP 2021	**Name of allottee** / **Equity shares allotted** i. Aneesh Reddy Boddu: 386,625 ii. Bollam Sridhar: 92,057	55,359,594	110,719,188

Date of allotment/buy-back	Number of equity shares allotted/ bought back	Face value per equity share (₹)	Issue/(buy-back) price per equity share (₹)	Nature of consideration	Nature of allotment	Details of allottees	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						iii. Piyush Kumar – 46,824 iv. Rohan Anil Mahadar – 45,458 v. Ravi Jaswani – 50 vi. Gireddy Bhargavi Reddy – 50		
December 29, 2023	5,524,350	2.00	308.00[10]	Cash[10]	Conversion of CCDs to equity shares	**Name of allottee** – **Equity shares allotted** Ronal Holdings LLC (*formerly known as Avataar II Co-Investment II Limited*) – 5,524,350	60,883,944	121,767,888
January 16, 2024	355,492	2.00	308.00	Cash	Preferential allotment	**Name of allottee** – **Equity shares allotted** Filter Capital India Fund I – 355,492	61,239,436	122,478,872
January 29, 2024	435,065	2.00	308.00	Consideration other than cash pursuant to conversion of external commercial borrowings[11]	Conversion of external commercial borrowings	**Name of allottee** – **Equity shares allotted** CTIPL – 435,065	61,674,501	123,349,002
January 31, 2024	227,273	2.00	308.00	Cash	Preferential allotment	**Name of allottee** – **Equity shares allotted** GGSA Ventures LLP – 227,273	61,901,774	123,803,548
February 12, 2024	101,785	2.00	308.00	Cash	Preferential allotment	**Name of allottee** – **Equity shares allotted** Anupama Kataria, trustee representing Oscar Employee Benefit Trust – 101,785	62,003,559	124,007,118
February 23, 2024[&]	178,571	2.00	308.00	Cash	Preferential allotment	**Name of allottee** – **Equity shares allotted**	62,182,130	124,364,260

<table>
<thead>
<tr><th>Date of allotment/buy-back</th><th>Number of equity shares allotted/ bought back</th><th>Face value per equity share (₹)</th><th>Issue/(buy-back) price per equity share (₹)</th><th>Nature of consideration</th><th>Nature of allotment</th><th>Details of allottees</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (₹)</th></tr>
</thead>
<tbody>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td><table><tr><td>GGSA Rzr Global LLC</td><td>178,571</td></tr></table></td><td></td><td></td></tr>
<tr><td>March 28, 2024</td><td>11,052,223</td><td>2.00</td><td>44.00</td><td>Cash</td><td>Rights issue [12]</td><td><table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
<tr><td>i. CTIPL</td><td>9,989,099</td></tr>
<tr><td>ii. Piyush Kumar</td><td>84,799</td></tr>
<tr><td>iii. Subhro Chakraborty</td><td>10,723</td></tr>
<tr><td>iv. Anant Choubey</td><td>196,917</td></tr>
<tr><td>v. Lalit Sharma</td><td>79,558</td></tr>
<tr><td>vi. Rohan Anil Mahadar</td><td>76,749</td></tr>
<tr><td>vii. Siddhant Jain</td><td>3,727</td></tr>
<tr><td>viii. Bollam Sridhar</td><td>165,374</td></tr>
<tr><td>ix. Sunil M Jain</td><td>2,251</td></tr>
<tr><td>x. Sameer Garde</td><td>32,319</td></tr>
<tr><td>xi. Aneesh Reddy Boddu</td><td>388,833</td></tr>
<tr><td>xii. Saurabh Kumar</td><td>5,160</td></tr>
<tr><td>xiii. Prakhar Verma</td><td>3,337</td></tr>
<tr><td>xiv. Vishnu Viswanath</td><td>2,487</td></tr>
<tr><td>xv. Premlata Jindal</td><td>838</td></tr>
<tr><td>xvi. Debabrat Barik</td><td>1,877</td></tr>
<tr><td>xvii. Gaurav Singh</td><td>870</td></tr>
<tr><td>xviii. Namrata Kothari</td><td>3,480</td></tr>
<tr><td>xix. Manoj Kumar Mondal</td><td>1,275</td></tr>
<tr><td>xx. Partha Pratim Chakrabarti</td><td>1,275</td></tr>
<tr><td>xxi. Shabbir Merchant</td><td>1,275</td></tr>
</table></td><td>73,234,353</td><td>146,468,706</td></tr>
<tr><td>January 18, 2025</td><td>94,785</td><td>2.00</td><td>526.70</td><td>Cash</td><td>Preferential allotment</td><td><table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
<tr><td>Filter Capital India Fund I</td><td>94,785</td></tr>
</table></td><td>73,329,138</td><td>146,658,276</td></tr>
</tbody>
</table>

^ *While Bollam Sridhar and Piyush Goel subscribed to the Memorandum of Association of our Company on March 13, 2012, the date of incorporation of our Company is March 15, 2012. The Board of our Company took note of the subscription to Memorandum of Association in its meeting dated March 17, 2012*

[*] Jointly held with Kanti Choubey
[**] Jointly held jointly with Sumabala Indrakanti Venkata
[***] Jointly held with Shailaja Nagesh
[@] Allotment to Venkat Ramana Tadanki was made through the NRE and NRO demat accounts separately.
[#] Jointly held with Janaki M Rao
[$] Our Company through board and shareholders resolution dated November 16, 2021 and November 17, 2021 respectively, approved the split of equity shares of the Company and set the record date for issuance of share to all shareholders who held equity shares of the Company as on November 26, 2021.
[&] There was a delay in filing of the Form FC-GPR filed in relation to this allotment/ issue
[##] The challan for Form-2 with respect to the Form-2 filed in relation to this allotment/ issue is not available.
[@@] Our Company delayed in reporting of the issuance of equity shares to non-residents in Form FC-GPR to the authorised dealer bank within the stipulated period. In this regard, our Company filed a sou moto compounding application in relation to such delays through its order dated March 2, 2022, the Chief General Manager and Regional Director, Karnataka, Reserve Bank of India levied a penalty of ₹0.98 million.
[&&] Our Company delayed in reporting of receipt of inward remittance from the non-resident investor towards issue of equity shares in Form-ARF (advanced reporting form) within the stipulated period. In this regard, our Company filed sou moto compounding application in relation to such delays. Through its order dated July 18, 2017, the Regional Director, Reserve Bank of India levied a penalty of ₹0.31 million.

For further details on [(##,, &, and &&)], see "Risk Factors – We are unable to trace some of our corporate records such as challans for certain form filings. Further, there have been delays in relation to reporting requirements like failure to file certain forms with RBI in respect of issuance of securities by our Company within the prescribed timelines and have compounded such delays under FEMA, 1999 and the rules made thereunder and paid the compounding fee. Further, we had also filed a compounding application before the Company Law Board, Chennai, in connection with the delay in holding the annual general meeting of the Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies." on page 65.

(1) Rights issue of equity shares in the ratio 1:0.043 (i.e., 0.043 equity share for every 1 equity share held) authorised by a resolution of our Board dated September 29, 2014
(2) Rights issue of equity shares in the ratio 1:0.036 (i.e., 0.036 equity share for every 1 equity share held) authorised by a resolution of our Board dated January 23, 2015
(3) Rights issue of equity shares in the ratio 1:0.057 (i.e., 0.057 equity share for every 1 equity share held) authorised by a resolution of our Board dated May 27, 2015
(4) Rights issue of equity shares in the ratio 1:0.085 (i.e., 0.085 equity share for every 1 equity share held) authorised by a resolution of our Board dated September 25, 2015
(5) The buy-back was undertaken in compliance with the Companies Act, 2013 and the same has been certified by BMP & Co. LLP through its certificate dated June 18, 2025.
(6) Rights issue of equity shares in the ratio 1:0.25 (i.e., 0.25 equity share for every 1 equity share held) authorised by a resolution of our Board dated August 25, 2021.
(7) Consideration of ₹131.85 million was received by the Company at the time of allotment of the CCPS. Price has been computed as consideration received at time of allotment of CCPS/ divided by number of equity shares allotted pursuant to conversion of CCPS. For details of terms of conversion, see " – Terms of conversion of preference shares" on page 129.
(8) Bonus issue of equity shares in the ratio 3.1:1 (i.e., 3.1 equity shares each for every one equity share held) authorised by a resolution of our Board dated November 20, 2021 and a resolution of our Shareholders dated November 24, 2021.
(9) Bonus issue of equity shares in the ratio 4.53:1 (i.e., one equity share each for every 4.53 equity shares held) authorised by a resolution of our Board dated March 21, 2023 and a resolution of our Shareholders dated March 24, 2023.
(10) Consideration was received by the Company at the time of allotment of the CCDs. For details of terms of conversion, see " – Terms of conversion of CCDs" on page 130.
(11) Equity Shares were allotted pursuant to conversion of the external commercial borrowing availed by the Company
(12) Rights issue of equity shares in the ratio 0.25: 1 (i.e., 0.25 equity shares each for every one equity shares held) authorised by a resolution of our Board dated March 1, 2024.

Note: *Certain of the allottees, being (i) Aditya Reddy Boddu, Pavani Pulla Reddy and Mohan Boddu Reddy (related to our Managing Director and Chief Executive Officer, Aneesh Reddy Boddu); (ii) Satish Kumar Choubey jointly with Kanti Choubey and Alok Choubey (related to the Whole-time Director Chief Financial Officer and Chief Operating Officer, Anant Choubey); and (iii) Munjaluri Nagabhushana Rao and Janaki M Rao (related to the Independent Director, Venkat Ramana Tadanki), were relatives of certain of the Directors of the Company.*

2. **Preference share capital history of our Company**

As on date of this Draft Red Herring Prospectus, our Company does not have any issued or outstanding preference share capital. The following table sets forth the history of the Preference Share capital of our Company:

<table>
<tr><th rowspan="2">Date of allotment of CCPS</th><th rowspan="2">Number of CCPS allotted</th><th rowspan="2">Face value per CCPS (₹)</th><th rowspan="2">Issue price per CCPS (₹)</th><th rowspan="2">Nature of consideration</th><th rowspan="2">Nature of allotment</th><th colspan="2">Details of allottees</th></tr>
<tr><th>Name of allottee</th><th>CCPS allotted</th></tr>
<tr><td rowspan="10">October 28, 2021</td><td rowspan="10">14,915</td><td rowspan="10">10.00</td><td rowspan="10">8,840.00</td><td rowspan="10">Cash</td><td rowspan="10">Preferential allotment of CCPS</td><td>Ambarish Raghuvanshi</td><td>1,132</td></tr>
<tr><td>Sameer Garde</td><td>227</td></tr>
<tr><td>Neelam Dhawan</td><td>849</td></tr>
<tr><td>Venkat Ramana Tadanki</td><td>4,163</td></tr>
<tr><td>Farid Lalji Kazani</td><td>3,677</td></tr>
<tr><td>Saikiran Krishnamurthy</td><td>340</td></tr>
<tr><td>Sanjiv Rangrass</td><td>566</td></tr>
<tr><td>Saluguti Vikas</td><td>1,980</td></tr>
<tr><td>Vivasan Associates LLP</td><td>1,132</td></tr>
<tr><td>Harminder Sahni</td><td>849</td></tr>
<tr><td>November 20, 2021</td><td>(14,915)</td><td>10.00</td><td>N.A.</td><td>N.A.</td><td>Conversion of 14,915 CCPS to equity shares</td><td colspan="2">N.A.(1)</td></tr>
</table>

(1) *For names of allottees of Equity Shares pursuant to conversion of CCPS, see "– Notes to the Capital Structure - Equity Share capital history of our Company" on page 114.*

Terms of conversion of preference shares

Sr. No.	Name of the Shareholder	Date of acquisition of CCPS	Nature of preference shares acquired	Number of preference shares acquired	Conversion ratio per preference share	Number of Equity Shares allotted post conversion	Acquisition price per preference share (₹)	Price per Equity Share (based on conversion)* (₹)
1.	Ambarish Raghuvanshi	October 28, 2021	CCPS	1,132	1:1.14626	1,298	8,840.00	7,709.46
2.	Sameer Garde	October 28, 2021	CCPS	227	1:1.14626	260	8,840.00	7,718.00
3.	Neelam Dhawan	October 28, 2021	CCPS	849	1:1.14626	973	8,840.00	7,713.42
4.	Venkat Ramana Tadanki	October 28, 2021	CCPS	4,163	1:1.14626	4,772	8,840.00	7,711.84
5.	Farid Lalji Kazani	October 28, 2021	CCPS	3,677	1:1.14626	4,215	8,840.00	7,711.67
6.	Saikiran Krishnamurthy	October 28, 2021	CCPS	340	1:1.14626	390	8,840.00	7,706.67
7.	Sanjiv Rangrass	October 28, 2021	CCPS	566	1:1.14626	649	8,840.00	7,709.46
8.	Saluguti Vikas	October 28, 2021	CCPS	1,980	1:1.14626	2,270	8,840.00	7,710.66
9.	Vivasan Associates LLP	October 28, 2021	CCPS	1,132	1:1.14626	1,298	8,840.00	7,709.46
10.	Harminder Sahni	October 28, 2021	CCPS	849	1:1.14626	973	8,840.00	7,713.42

Note:
The above was prior to our Company undertaking of split of equity shares of face value ₹10 into 5 equity shares of ₹2 each in November 2021.

* The above price has been derived based on the consideration paid by each holder of CCPS at time of allotment of CCPS divided by the number of equity shares allotted to respective Shareholders upon conversion.*

3. **Compulsorily convertible debentures**

As on date of this Draft Red Herring Prospectus, our Company does not have any outstanding CCDs. The following table sets forth the history of CCDs of our Company:

<table>
<tr><th>Date of allotment of CCDs</th><th>Number of CCDs allotted</th><th>Face value per CCD (in ₹)</th><th>Issue price per CCD (₹)</th><th>Nature of allotment</th><th>Nature of Consideration</th><th colspan="2">List of allottees</th></tr>
<tr><td rowspan="2">October 30, 2023</td><td rowspan="2">5,524,350</td><td rowspan="2">2.00</td><td rowspan="2">308.00</td><td rowspan="2">Private Placement*</td><td rowspan="2">Cash</td><td>Name of allottee</td><td>CCDs allotted</td></tr>
<tr><td>Ronal Holdings LLC (formerly known as Avataar II Co-Investment II Limited)</td><td>5,524,350</td></tr>
<tr><td>December 29, 2023</td><td>(5,524,350)</td><td>2.00</td><td>N.A.(1)</td><td>Conversion of CCDs to 5,524,350 Equity Shares</td><td>N.A.(1)</td><td colspan="2">N.A.(2)</td></tr>
</table>

* *Our Company inadvertently attached the old version of the shareholders resolution instead of the modified version in the Form MGT-14 filed with the RoC, which did not correctly capture the terms of the issuance of compulsorily convertible debentures. To rectify the same we filed a clarification letter intimating dated October 27, 2023, with the RoC regarding the same and a revised Form MGT-14. For details see, "Risk Factors – We are unable to trace some of our corporate records such as challans for certain form filings. Further, there have been delays in relation to reporting requirements like failure to file certain forms with RBI in respect of issuance of securities by our Company within the prescribed timelines and have compounded such delays under FEMA, 1999 and the rules made thereunder and paid the compounding fee. Further, we had also filed a compounding application before the Company Law Board, Chennai, in connection with the delay in holding the annual general meeting of the Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to any such discrepancies." on page 65.*

(1) *The consideration of ₹1,701.50 million was paid by Ronal Holdings LLC at the time of allotment of CCDs. 5,524,350 equity shares of face value ₹2 each were allotted to Ronal Holdings LLC pursuant to conversion of CCDs and the resultant price per equity share translates to ₹308 per equity share*

(2) *For names of allottees of Equity Shares pursuant to conversion of CCDs, see "– Notes to the Capital Structure - Equity Share capital history of our Company" on page 114.*

Terms of conversion of CCDs

S. No.	Name of the Shareholder	Date of acquisition of CCDs	Number of CCDs acquired	Conversion ratio per CCD	Number of Equity Shares allotted post conversion	Acquisition price per CCD (₹)	Estimated price per Equity Share (based on conversion) (₹)
1.	Ronal Holdings LLC	October 30, 2023	5,524,350	1:1	5,524,350	308.00	308.00

4. **Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Except as stated below, our Company has not issued any specified securities for consideration other than cash or by way of bonus issue. Our Company has not issued any specified securities out of the revaluation reserves since incorporation, as on the date of this Draft Red Herring Prospectus:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company	Names of allottees
Issue of equity shares by way of bonus issue						
November 26, 2021	37,814,671	2.00	N.A.	Bonus issue of equity shares in ratio of 3.1:1 (i.e., 3.1 equity shares for every one equity share held)	-	i. CTIPL ii. Bollam Sridhar iii. Piyush Goel iv. Piyush Kumar v. Subhro Chakraborty vi. Shandilya ASP vii. Rohan Anil Mahadar

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company	Names of allottees
						viii. Aditya Reddy Boddu ix. Sudhakar Reddy Katanguri x. Sripathi Venkata Ramana Reddy xi. Sripathi Damodar Reddy xii. Mohan Boddu Reddy xiii. Adarsh Reddy B xiv. Pavani Pulla Reddy xv. Sudheer Reddy Nalamada xvi. Anant Choubey xvii. Alok Choubey xviii. Satish Kumar Choubey* xix. Raghu Viswanathan xx. Naween Kumar xxi. Lalit Sharma xxii. Gaurav Singh Bhadoria xxiii. Rajat Kothari xxiv. Arun Radhakrishnan Naikar xxv. Siddhant Jain xxvi. Ishant Jindal xxvii. Bollam Sridhar xxviii. Mahendra Chordia xxix. Sunil M Jain xxx. William Leon Jansen xxxi. R Vijay xxxii. D Kiran xxxiii. Shivanarayana Rayapati xxxiv. Yamini Preethi Natti xxxv. Nareshbhat Ullal Chavadi** xxxvi. CM Subhod xxxvii. Keval Prabhu xxxviii. Manjunath Nanjaiah xxxix. Spring Innovation Technology India Private Limited xl. Harmeet Padhy xli. InfoSoft Global Private Limited xlii. Indus Net Technologies Private Limited xliii. Nagarajan Shanmugam xliv. Anuradha Sunil Didwania xlv. Nagesh Satyanarayan Basavanhalli*** xlvi. Gopalkrishna Shanmugham xlvii. Munjaluri Nagabhushana Rao# xlviii. Anjali Bansal xlix. Peddi Satyanarayana Chaitanya l. Jayant Prasad Paleti li. Venkat Pavan Rohit Chennamaneni lii. Sunil Madanlal Agarwal liii. Sumedha Gopalkrishna liv. Ambarish Raghuvanshi lv. Sameer Garde lvi. Neelam Dhawan lvii. Venkat Ramana Tadanki lviii. Farid Lalji Kazani lix. Saikiran Krishnamurthy lx. Sanjiv Rangrass lxi. Saluguti Vikas lxii. Vivasan Associates LLP lxiii. Harminder Sahni
March 29, 2023	214,656	2.00	N.A	Bonus issue of equity shares in ratio of 4.53:1 (i.e.,	-	i. Adarsh Reddy B ii. Aditya Reddy Boddu

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company	Names of allottees
				one equity share for every 4.53 equity shares held)		iii. Ajay Gupta iv. Ambarish Raghuvanshi v. Anjali Bansal vi. Arun Radhakrishnan Naikar vii. Bollam Sridhar viii. CM Subhod ix. D Kiran x. Farid Lalji Kazani xi. Sumedha Gopalakrishna xii. Harmeet Padhy xiii. Harminder Sahni xiv. Jayant Prasad Paleti xv. Keval Prabhu xvi. Munjaluri Nagabhushana Rao# xvii. Nagesh Satyanarayan Basavanhalli*** xviii. Naween Kumar xix. Neelam Dhawan xx. Pavani Pulla Reddy xxi. Piyush Kumar xxii. Ravi Shankar Jandhyala xxiii. S Gopal Krishna xxiv. Saluguti Vikas xxv. Sanjiv Rangrass xxvi. Shandilya ASP xxvii. Spring Innovation Technology India Private Limited xxviii. Srikrishna Vadrevu xxix. Sripathi Damodar Reddy xxx. Sudheer Reddy Nalamada xxxi. Sunil M Jain xxxii. Sunil Madanlal Agarwal xxxiii. Subhro Chakroborty xxxiv. Venkat Ramana Tadanki@ xxxv. Venkat Ramana Tadanki@ xxxvi. William Leon Jansen xxxvii. Yamini Preethi Natti xxxviii. Alok Choubey xxxix. Anant Choubey xl. Gaurav Singh Bhadoria xli. Indus Net Technologies Private Limited xlii. Infosoft Global Private Limited xliii. Ishant Jindal xliv. Lalit Sharma xlv. Mahendra Chordia xlvi. Manjunath Nanjaiah xlvii. Mohan Boddu Reddy xlviii. Nagarajan Shanmugam xlix. Nareshbhat Ullal Chavadi** l. Peddi Satyanarayana Chaitanya li. Piyush Goel lii. R Vijay liii. Raghu Vishwanthan liv. Rajat Kothari lv. Rohan Anil Mahadar lvi. Saikiran Krishnamurthy lvii. Sameer Garde lviii. Satish Kumar Choubey* lix. Shivanarayana Rayapati lx. Siddhant Jain

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company	Names of allottees
						lxi. Sripathi Venkata Ramana Reddy lxii. Sudhakar Reddy Katanguri lxiii. Venkat Pavan Rohit Chennamaneni lxiv. Vivasan Associates LLP

* *Jointly held with Kanti Choubey.*
** *Jointly held jointly with Sumabala Indrakanti Venkata*
*** *Jointly held with Shailaja Nagesh*
\# *Jointly held with Janaki M Rao*
@ *Allotment to Venkat Ramana Tadaki was made through the NRE and NRO demat accounts separately.*

For further details, please see " - *Share Capital History of our Company*" on page 114.

5. **Issue of Equity Shares or Preference Shares pursuant to schemes of arrangement**

Our Company has not allotted any Equity Shares or Preference Shares in terms of any scheme of arrangement approved under sections 391- 394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.

6. **Issue of shares at a price lower than the Offer Price in the last year**

The Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date. Except as disclosed in "– *Share capital history of our Company*" on page 114 above, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year.

7. **Build-up of Promoters shareholding, Minimum Promoters Contribution and lock-in**

As on the date of this Draft Red Herring Prospectus, following are the details of the shareholding of the Promoters. All the Equity Shares held by our Promoters are held in dematerialised form:

S. No.	Name of the Promoters	Number of equity shares of face value ₹2 each	Percentage of equity share capital (%)
1.	CTIPL	48,008,006 (1)(2)	65.47%
2.	Aneesh Reddy Boddu	1,701,681	2.32%
Total		**49,709,687**	**67.79%**

(1) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar as a nominee of CTIPL.*
(2) *The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

For further details, see "*Our Promoters and Promoter Group*" on page 353.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

Build-up of the shareholding of our Promoters in our Company

(a) The details regarding the build-up of shareholding of our Promoter, CTIPL in our Company since incorporation is set forth in the table below:

Date of transfer/ allotment of equity Shares	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer capital (%)$	Percentage of the post-Offer capital (%)*
May 4, 2012	934,138	Further issue	Cash	10.00	10.00	6.37%	[●]
May 30, 2012	823,759	Further issue	Cash	10.00	10.00	5.62%	[●]

Date of transfer/ allotment of equity Shares	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer capital (%)$	Percentage of the post-Offer capital (%)*
December 29, 2012	64,555	Further issue	Cash	10.00	1,810.00	0.44%	[●]
July 1, 2013	63,888	Further issue	Cash	10.00	1,810.00	0.44%	[●]
March 27, 2015	81,237	Rights issue(1)	Cash	10.00	1,830.00	0.55%	[●]
August 10, 2015	70,522	Rights issue(2)	Cash	10.00	1,830.01	0.48%	[●]
November 20, 2015	112,413	Rights issue(3)	Cash	10.00	1,830.00	0.77%	[●]
March 25, 2016	20,153	Rights issue(4)	Cash	10.00	1,309.98	0.14%	[●]
March 31, 2016	162,714	Rights issue(4)	Cash	10.00	1,309.99	1.11%	[●]
September 30, 2016	(1)	Transfer from CTIPL to Abhijeet Vijayvergiya as a nominee of CTIPL(5)	Cash	10.00	10.00	Negligible	[●]
August 31, 2021	58,836	Rights issue(6)	Cash	10.00	8,840.00	0.40%	[●]
Pursuant to a resolution of our Board passed in their meeting held on November 16, 2021, and a resolution of our Shareholders passed in their EGM held on November 17, 2021, each fully paid-up share of our Company of face value ₹10 was split into 5 equity shares of ₹2 each and accordingly the shareholding of CTIPL was changed from 2,392,214 equity shares of face value ₹10 each to 1,19,61,070 equity shares of face value ₹2 each.							
November 26, 2021	37,079,317	Bonus issue (7)	N.A.	2.00	N.A.	50.57%	[●]
December 21, 2023	(3,676,013)	Transfer from CTIPL to Anant Choubey	Cash	2.00	15.00	(5.01) %	[●]
January 4, 2024	(2,881,041)	Transfer from CTIPL to AVP Fund II (formerly Avataar Venture Partners II)	Cash	2.00	309.36	(3.93) %	[●]
January 8, 2024	(1,158,000)	Transfer from CTIPL to AVP Fund II (formerly Avataar Venture Partners II)	Cash	2.00	309.36	(1.58) %	[●]
January 29, 2024	435,065	Conversion of external commercial borrowings	Cash	2.00	308.00	0.59%	[●]
March 4, 2024	(677,154)	Transfer from CTIPL to Bollam Sridhar	Cash	2.00	15.00	(0.92) %	[●]
March 28, 2024	9,989,099	Rights issue (8)	Cash	2.00	44.00	13.62%	[●]
July 8, 2024	(187,477)	Transfer from CTIPL to Neytiri Holdings	Cash	2.00	309.36	(0.26) %	[●]
December 12, 2024	(759,938)	Transfer from CTIPL to Filter Capital India Fund I	Cash	2.00	364.54	(1.04) %	[●]
March 21, 2025	(161,235)	Transfer from CTIPL to Trudy Holdings(9)	Cash	2.00	539.33	(0.22) %	[●]
March 27, 2025	(56,958)	Transfer from CTIPL to Dhruv Jhunjhunwala	Cash	2.00	526.70	(0.08) %	[●]
March 27, 2025	(390,357)	Transfer from CTIPL to Filter Capital India Fund I	Cash	2.00	526.70	(0.53) %	[●]
March 28, 2025	(379,722)	Transfer from CTIPL to HDFC AMC Select AIF FOF-I(10)	Cash	2.00	526.70	(0.52) %	[●]
N.A.	(1,128,650)(11)	Transfer from CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited	Cash	2.00	541.44	(1.54) %	[●]
Total	**48,008,006(11) (12)**					**65.47%**	**[●]**

**Subject to finalisation of the Basis of Allotment*
$Computed after adjusting for split of shares from face value ₹10 each to face value ₹2 each undertaken in November 2021.

(1) Rights issue of equity shares in the ratio 1:0.043 (i.e., 0.043 equity share for every 1 equity share held) authorised by a resolution of our Board dated September 29, 2014. Includes allotment to nominee shareholder of CTIPL.

(2) *Rights issue of equity shares in the ratio 1:0.036 (i.e., 0.036 equity share for every 1 equity share held) authorised by a resolution of our Board dated January 23, 2015*

(3) *Rights issue of equity shares in the ratio 1:0.057 (i.e., 0.057 equity share for every 1 equity share held) authorised by a resolution of our Board dated May 27, 2015*

(4) *Rights issue of equity shares in the ratio 1:0.085 (i.e., 0.085 equity share for every 1 equity share held) authorised by a resolution of our Board dated September 25, 2015*

(5) *1 equity share was transferred by Abhijeet Vijayvergiya to Bollam Sridhar in his capacity as the nominee of CTIPL.*

(6) *Rights issue of equity shares in the ratio 1:0.25 (i.e., 0.25 equity share for every 1 equity share held) authorised by a resolution of our Board dated August 25, 2021*

(7) *Bonus issue of equity shares in the ratio 3.1:1 (i.e., 3.1 equity shares each for every one equity share held) authorised by a resolution of our Board dated November 20, 2021 and a resolution of our Shareholders dated November 24, 2021.*

(8) *Rights issue of equity shares in the ratio 1:0.25 (i.e., 0.25 equity shares each for every one equity shares held) authorised by a resolution of our Board dated March 1, 2024.*

(9) *Equity Shares transferred pursuant to the share purchase agreement dated March 10, 2025*

(10) *Equity Shares transferred pursuant to the share purchase agreement dated March 10, 2025*

(11) *The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

(12) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.*

(b) The details regarding the build-up of shareholding of Aneesh Reddy Boddu in our Company since incorporation is set forth in the table below:

Date of transfer of equity shares	Number of equity shares allotted / transferred	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)*
November 15, 2023	386,625	Allotment under ESOP 2021	Cash	2.00	2.00	0.53%	[●]
December 5, 2023	(386,625)	Transfer from Aneesh Reddy Boddu to GGSA Ventures LLP	Cash	2.00	307.80	(0.53) %	[●]
December 27, 2023	1,592,153	Transfer from Anant Choubey to Aneesh Reddy Boddu	Cash	2.00	15.00	2.17%	[●]
March 13, 2024	(194,805)	Transfer from Aneesh Reddy Boddu to Vipassana International Meditation Centre Dhamma Sukhalaya	Gift	2.00	N.A	(0.27) %	[●]
March 28, 2024	388,833	Rights issue(1)	Cash	2.00	44.00	0.53%	[●]
December 17, 2024	(84,500)	Transfer from Aneesh Reddy Boddu to Vipassana International Meditation Centre Dhamma Sukhalaya	Gift	2.00	N.A.	(0.12) %	[●]
Total	**1,701,681**					**2.32%**	**[●]**

**Subject to finalisation of the Basis of Allotment*

(1) *Rights issue of equity shares in the ratio 0.25: 1 (i.e., 0.25 equity shares each for every one equity shares held) authorised by a resolution of our Board dated March 1, 2024.*

8. **The details regarding the build-up of shareholding of the members of Promoter Group (holding Equity Shares as on the date of this Draft Red Herring Prospectus) and Selling Shareholders**

(a) The details regarding the build-up of shareholding of Equity Shares by members of our Promoter Group (holding Equity Shares in our Company as on the date of this Draft Red Herring Prospectus) since incorporation is as set forth below:

i. For details of Equity Shares acquired by CTIPL through secondary transfers, see "– *Build-up of the shareholding of our Promoters in our Company*" above.

ii. No Equity Shares were acquired by Mohan Boddu Reddy, Aditya Reddy Boddu and Pavani Pulla Reddy through secondary transfers. For details of Equity Shares allotted to Mohan Boddu Reddy, Aditya Reddy Boddu and Pavani Pulla Reddy, see "– *Notes to the Capital Structure – Equity Share capital history of our Company*" above.

(b) The details regarding the build-up of shareholding of Equity Shares by Selling Shareholders since incorporation is as set forth below:

i. For details of build-up of shareholding of Equity Shares by CTIPL, see " – *Build-up of the shareholding of our Promoters in our Company*" above.

ii. No Equity Shares were acquired by Ronal Holdings LLC, Adarsh Reddy B, Sripathi Damodar Reddy, Harminder Sahni, Sripathi Venkata Ramana Reddy and Sudhakar Reddy Katanguri through secondary transfers. For details of Equity Shares allotted to Ronal Holdings LLC, Adarsh Reddy B, Sripathi Damodar Reddy, Harminder Sahni, Sripathi Venkata Ramana Reddy and Sudhakar Reddy Katanguri, see "– *Notes to the Capital Structure – Equity Share capital history of our Company*" above.

iii. *Trudy Holdings*

Date of transfer of equity shares	Number of equity shares allotted / transferred	Details of transferor	Details of transferee(s)	Nature of transfer	Face value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)*
March 29, 2023	2,664,285	N.A.	N.A.	Preferential allotment	2.00	308.00	Cash	3.63%	[●]
April 17, 2023	465,249	N.A.	N.A.	Preferential allotment	2.00	308.00	Cash	0.63%	[●]
March 21, 2025	161,235	CTIPL	Trudy Holdings	Transfer from CTIPL to Trudy Holdings	2.00	539.33	Cash	0.22%	[●]
Total	**3,290,769**							**4.49%**	

* *Subject to finalisation of the Basis of Allotment.*

iv. *Filter Capital India Fund I*

Date of transfer of equity shares	Number of equity shares allotted / transferred	Details of transferor	Details of transferee(s)	Nature of transfer	Face value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)*
June 27, 2023	324,676	N.A.	N.A.	Preferential allotment	2.00	308.00	Cash	0.44%	[●]
August 11, 2023	487,014	N.A.	N.A.	Preferential allotment	2.00	308.00	Cash	0.66%	[●]
January 16, 2024	355,492	N.A.	N.A.	Preferential allotment	2.00	308.00	Cash	0.48%	[●]
March 4, 2024	4,880	Subhod C M	Filter Capital India Fund I	Transfer from Subhod C M to Filter Capital India Fund I	2.00	308.00	Cash	0.01%	[●]
March 4, 2024	4,880	Keval Prabhu	Filter Capital India Fund I	Transfer from Keval Prabhu to Filter Capital India Fund I	2.00	308.00	Cash	0.01%	[●]
March 6, 2024	8,120	Nareshbhat Ullal Chavadi	Filter Capital India Fund I	Transfer from Nareshbhat Ullal Chavadi to Filter Capital India Fund I	2.00	308.00	Cash	0.01%	[●]

Date of transfer of equity shares	Number of equity shares allotted / transferred	Details of transferor	Details of transferee(s)	Nature of transfer	Face value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)*
March 6, 2024	16,240	Mahendra Chordia	Filter Capital India Fund I	Transfer from Mahendra Chordia to Filter Capital India Fund I	2.00	308.00	Cash	0.02%	[●]
March 28, 2024	162,337	Vipassana International Meditation Centre Dhamma Sukhalaya	Filter Capital India Fund I	Transfer from Vipassana International Meditation Centre Dhamma Sukhalaya to Filter Capital India Fund I	2.00	308.00	Cash	0.22%	[●]
December 12, 2024	759,938	CTIPL	Filter Capital India Fund I	Transfer from CTIPL to Filter Capital India Fund I	2.00	364.54	Cash	1.04%	[●]
January 18, 2025	94,785	N.A.	N.A.	Preferential allotment	2.00	526.70	Cash	0.13%	[●]
February 6, 2025	4,879	Keval Prabhu	Filter Capital India Fund I	Transfer from Keval Prabhu to Filter Capital India Fund I	2.00	526.70	Cash	0.01%	[●]
February 6, 2025	25,000	Sameer Garde	Filter Capital India Fund I	Transfer from Sameer Garde to Filter Capital India Fund I	2.00	526.70	Cash	0.03%	[●]
February 6, 2025	19,489	Vivasan Associates LLP	Filter Capital India Fund I	Transfer from Vivasan Associates LLP to Filter Capital India Fund I	2.00	526.70	Cash	0.03%	[●]
March 11, 2025	16,089	Rajat Kothari	Filter Capital India Fund I	Transfer from Rajat Kothari to Filter Capital India Fund I	2.00	526.70	Cash	0.02%	[●]
March 18, 2025	9,759	D Kiran	Filter Capital India Fund I	Transfer from D Kiran to Filter Capital India Fund I	2.00	526.70	Cash	0.01%	[●]
March 27, 2025	390,357	CTIPL	Filter Capital India Fund I	Transfer from CTIPL to Filter Capital India Fund I	2.00	526.70	Cash	0.53%	[●]
TOTAL	**2,683,935**							**3.66%**	

* *Subject to finalisation of the Basis of Allotment.*

v. *Manjunath Nanjaiah*

Date of transfer of equity shares	Number of equity shares allotted / transferred	Details of transferor	Details of transferee(s)	Nature of transfer	Face value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)**	Percentage of the post-Offer equity share capital (%)*
November 16, 2021	390	N.A.	N.A.	Preferential allotment	10.00	7,712.00	Cash	Negligible	[●]

Pursuant to a resolution of our Board passed in their meeting held on November 16, 2021, and a resolution of our Shareholders passed in their EGM held on November 17, 2021, each fully paid-up share of our Company of face value ₹10 was split into 5 equity shares of ₹2 each, and accordingly, the shareholding of Manjunath Nanjaiah was changed from 390 equity shares of face value ₹10 each to 1,950 equity shares of face value ₹2 each.									
November 26, 2021	6,045	N.A.	N.A.	Bonus issue of equity shares in ratio of 3.1:1 (i.e., 3.1 equity shares for every one equity share held)	2.00	N.A.	N.A.	0.01%	[●]
March 29, 2023	1,764	N.A.	N.A.	Bonus issue of equity shares in ratio of 4.53:1 (i.e., one equity share for every 4.53 equity shares held)	2.00	N.A.	N.A.	Negligible	[●]
December 11, 2024	(4,759)	Manjunath Nanjaiah	Saikiran Krishna murthy	Sale of equity shares	2.00	308.00	Cash	(0.01)%	[●]
TOTAL	**5,000**							**0.01%**	

** Subject to finalisation of the Basis of Allotment.*
***Computed after adjusting for split of shares from face value of Rs 10 each to face value of Rs 2 each undertaken in November 2021.*

9. As on date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

10. **Equity shareholding of our Promoters, Promoter Group and directors of our Promoter**

Except as stated below, none our Promoters, members of our Promoter Group, hold any Equity Shares as of the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer**	
		Number of equity shares of face value ₹2 each	Percentage of equity share capital (%)	Number of equity shares of face value ₹2 each	Percentage of post offer equity share capital (%)
Promoters					
1.	CTIPL	48,008,006(1)(2)	65.47%	[●]	[●]
2.	Aneesh Reddy Boddu*	1,701,681	2.32%	[●]	[●]
Promoter Group (except Promoters)					
3.	Mohan Boddu Reddy	48,699	0.07%	[●]	[●]
4.	Aditya Reddy Boddu	23,974	0.03%	[●]	[●]
5.	Pavani Pulla Reddy	11,361	0.02%	[●]	[●]
Total		**49,793,721**	**67.90%**	**[●]**	**[●]**

**Also Managing Director and Chief Executive Officer*
*** Subject to finalisation of the Basis of Allotment.*
(1) Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.
*(2) The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

None of the directors of our corporate Promoter hold any Equity Shares as on the date of this Draft Red Herring Prospectus

11. **Details of Promoters contribution and lock-in for three years**

(a) Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoter's contribution from the date of Allotment ("**Promoters Contribution**"), and the Promoters shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of one year from the date of Allotment.

(b) Details of the Equity Shares to be locked-in for three years, or such other period as prescribed under the SEBI ICDR Regulations, from the date of Allotment as Promoters Contribution are set forth in the table below:

Name of the Promoters	Date of allotment of the equity shares	Nature of transaction	No. of equity shares	Face value (₹)	Issue/ acquisition price per equity share (₹)	No. of equity shares locked-in*	Percentage of the post-Offer paid-up capital * (%)	Date up to which the equity shares are subject to lock-in*
CTIPL	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Aneesh Reddy Boddu	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]

Note: To be updated at Prospectus stage.
**Subject to finalisation of Basis of Allotment.*

(c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters Contribution from the date of filing this Draft Red Herring Prospectus until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(d) Our Company undertakes that the Equity Shares that shall be locked-in are not and will not be ineligible for computation of Promoters Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters Contribution do not include Equity Shares acquired in the three immediately preceding years from the date of this Draft Red Herring Prospectus (a) for consideration other than cash involving revaluation of assets or capitalization of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealized profits of our Company or from a bonus issuance against Equity Shares, which are otherwise ineligible for computation of Promoters Contribution;

(ii) The Promoters Contribution does not include any Equity Shares acquired during the immediately preceding one year from the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership; and

(iv) The Equity Shares forming part of the Promoters Contribution are not subject to any pledge with any creditor.

12. **Details of Equity Shares locked- in for six months**

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company held by persons other than our Promoters will be locked-in for a period of six-months from the date of Allotment except for (i) the Equity Shares offered pursuant to the Offer for Sale; and (ii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investor) Regulations, 2009) ("**FVCI**"), as applicable, provided that (a) such Equity Shares shall be locked in for a period of at least six months prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders and (b) such VCF or AIF of category I or category II or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company (on a fully diluted basis).

Except Filter Capital India Fund I and HDFC AMC Select AIF FOF-I, as on the date of this Draft Red Herring Prospectus, none of our Equity Shares are held by any VCF or Category I AIF or Category II AIF or FVCI.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

13. **Lock-in of Equity Shares Allotted to Anchor Investors**

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

14. **Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

15. **Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoters Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.
In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

16. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Class eg: Others	Total								
(A)	Promoters and Promoter Group	5	49,793,721(1)(2)	Nil	Nil	49,793,721(1)(2)	67.90	49,793,721(1)(2)	Nil	49,793,721(1)(2)	67.90	Nil	Nil	Nil	Nil	Nil	Nil	49,793,721(1)(2)
(B)	Public	84(2)	23,535,417	Nil	Nil	23,535,417	32.10	23,535,417	Nil	23,535,417	32.10	Nil	Nil	Nil	Nil	Nil	Nil	23,535,417
(C)	Non Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	**89(2)**	**73,329,138**	**Nil**	**Nil**	**73,329,138**	**100.00**	**73,329,138**	**Nil**	**73,329,138**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**73,329,138**

(1) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.*

(2) *The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited (“**Purchaser**”) pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

17. **Other details of Shareholding of our Company**

(a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 89* Shareholders. Further, our Company is in compliance with Section 25 of the Companies Act, 2013 and has not had more than 200 shareholders in any financial year since incorporation.

**Includes Schroders Capital Private Equity Asia Mauritius IX Limited*

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Capillary Technologies International Pte Ltd	48,008,006(1)(2)	65.47%
2.	Ronal Holdings LLC	5,524,350	7.53%
3.	AVP Fund II	4,039,041	5.51%
4.	Trudy Holdings	3,290,769	4.49%
5.	Filter Capital India Fund I	2,683,935	3.66%
6.	Aneesh Reddy Boddu	1,701,681	2.32%
7.	Schroders Capital Private Equity Asia Mauritius IX Limited	1,128,650(2)	1.54%
8.	Anant Choubey	918,732	1.25%
9.	Bollam Sridhar	802,553(3)	1.09%
10.	GGSA Ventures LLP	743,591	1.01%
Total		**68,841,308**	**93.88%**

(1) Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.
*(2) The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*
(3) Includes 24 equity shares of face value ₹2 each held by him in his capacity as the nominee of CTIPL.

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Capillary Technologies International Pte Ltd	48,008,006(1)(2)	65.47%
2.	Ronal Holdings LLC	5,524,350	7.53%
3.	AVP Fund II	4,039,041	5.51%
4.	Trudy Holdings	3,290,769	4.49%
5.	Filter Capital India Fund I	2,683,935	3.66%
6.	Aneesh Reddy Boddu	1,701,681	2.32%
7.	Schroders Capital Private Equity Asia Mauritius IX Limited	1,128,650(2)	1.54%
8.	Anant Choubey	918,732	1.25%
9.	Bollam Sridhar	802,553(3)	1.09%
10.	GGSA Ventures LLP	743,591	1.01%
Total		**68,841,308**	**93.88%**

(1) Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.
*(2) The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*
(3) Includes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Capillary Technologies International Pte Ltd	51,072,343[(1)]	69.74%
2.	Ronal Holdings LLC (*formerly known as Avataar II Co-Investment II Limited*)	5,524,350	7.54%
3.	AVP Fund II (*formerly known as Avataar Venture Partners II*)	4,039,041	5.52%
4.	Trudy Holdings (*formerly known as Avataar Holdings*)	3,129,534	4.27%
5.	Aneesh Reddy Boddu	1,786,181	2.44%
6.	Filter Capital India Fund I	1,363,639	1.86%
7.	Anant Choubey	1,003,232	1.37%
8.	Bollam Sridhar	756,213[(2)]	1.03%
9.	GGSA Ventures LLP	743,591	1.02%
Total		**69,418,124**	**94.79%**

(1) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.*
(2) *Includes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.*

(e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares of face value ₹ 2 each	Percentage of Equity Share capital (%)
1.	Capillary Technologies International Pte Ltd	49,040,387[(1)]	91.91%
2.	Trudy Holdings (*formerly known as Avataar Holdings*)	3,129,534	5.87%
Total		**52,169,921**	**97.77%**

(1) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.*

18. Except for the allotment of Equity Shares pursuant to (i) the Fresh Issue, and (ii) the Pre-IPO Placement; (iii) exercise of options granted pursuant to the ESOP 2021, our Company does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of bonus issue of Equity Shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

19. Except for outstanding options granted pursuant to the ESOP 2021, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Red Herring Prospectus.

20. All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

21. As on the date of this Draft Red Herring Prospectus, except as set out below, none of our Directors, Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

S.No.	Name of Director or KMP or SMP	Number of Equity Shares	Pre-Offer Percentage of Equity Share capital (%)
1.	Aneesh Reddy Boddu	1,701,681	2.32%
2.	Anant Choubey	918,732	1.25%
3.	Farid Lalji Kazani	61,037	0.08%
4.	Venkat Ramana Tadanki	110,843*	0.15%
5.	Gireddy Bhargavi Reddy	50	Negligible
6.	Bollam Sridhar	802,553	1.09%
7.	Lalit Sharma	405,324	0.55%
8.	Rohan Anil Mahadar	391,016	0.53%
9.	Siddhant Jain	28,747	0.04%
10.	Piyush Kumar	432,049	0.59%

11.	Ravi Jaswani	50	Negligible
12.	Sunil M Jain	27,707	0.04%

* *The shareholding of Venkat Ramana Tadanki includes 9,734 equity shares of face value ₹2 each, held by William Leon Jansen as the registered owner, given that the beneficial ownership of such equity shares was transferred by William Leon Jansen to Venkat Ramana Tadanki pursuant to the share purchase agreement dated February 3, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 12, 2025. The credit of these Equity Shares to the demat account of the Venkat Ramana Tadanki will be credited to his demat account upon rectification of technical issue.*

22. Except as disclosed below, none of the Promoters, members of Promoter Group, directors of CTIPL, or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

    (i) For details pertaining to sale and purchase of Equity Shares by our Promoters and members of Promoter Group, during the period of six months immediately preceding the date of this Draft Red Herring Prospectus, please see "– *Build-up of the shareholding of our Promoters in our Company*"; and " - *The details regarding the build-up of shareholding of the members of Promoter Group (holding Equity Shares as on the date of this Draft Red Herring Prospectus) and Selling Shareholders"*;

    (ii) Except as disclosed below, none of the directors of CTIPL or the Directors of our Company and their relatives (excluding Promoter and Promoter Group already covered in paragraph (i) above) have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Date of transfer	Name of transferor	Name of transferee	Number of Equity Shares	Transfer price/ issue price per Equity Share (₹)
N.A.	William Leon Jansen	Venkat Ramana Tadanki	9,734	529.84
June 3, 2025	Neelam Dhawan	Santosh Singh	24,349	526.70

* *The beneficial ownership of such equity shares was transferred by William Leon Jansen to Venkat Ramana Tadanki pursuant to the share purchase agreement dated February 3, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 12, 2025. The credit of these Equity Shares to the demat account of the Venkat Ramana Tadanki will be credited to his demat account upon rectification of technical issue.*

23. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of CTIPL, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of business during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

24. Our Company, the Promoters, the Directors and the BRLMs have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

25. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

26. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. Further, none of the Book Running Lead Managers are associates of our Company as per Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

    The BRLMs and their respective associates and affiliates in their capacity as principals or agents have engaged or may engage in transactions with, and perform services for, our Company, Directors and/or officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, Directors and/or officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, customary compensation.

27. None of the Promoters or other members of our Promoter Group will participate in the Offer except to the extent of their participation in the Offer for Sale.

28. Except for issuance of Equity Shares pursuant to (i) the Pre-IPO Placement, (ii) exercise of options granted under the ESOP 2021, and (iv) Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges pursuant to the Offer or all application monies have been refunded, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.

29. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

30. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters or members of our Promoter Group, shall offer or make payment of any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

31. As on the date of this Draft Red Herring Prospectus, other than the options to be granted in terms of the ESOP 2021, our Company has no outstanding warrants, options pursuant to which Equity Shares are to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares. Our Company does not have any outstanding convertible securities as on the date of this Draft Red Herring Prospectus.

32. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

33. Our Company is in compliance with the Companies Act, 2013, to the extent applicable, with respect to issuance of securities since inception till the date of filing of this Draft Red Herring Prospectus. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Employee stock option

Pursuant to the resolutions passed by our Board and our Shareholders in its meetings each dated October 29, 2021, our Company instituted the Capillary Employee Stock Option Scheme – 2021 ("**ESOP 2021**"). The ESOP 2021 was last amended by resolutions of our Board and Shareholders dated April 30, 2025 and May 30, 2025, respectively. The ESOP Scheme – 2021 has been implemented directly. ESOP 2021 has been prepared to attract and retain talent in and within our Company, encourage employees to strive to perform better and incentivize such employees who exhibit traits appreciated by our Company.

The ESOP 2021 has been instituted in compliance with the relevant provisions of the Companies Act and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**") and shall continue to be in compliance with the SBEB Regulations and the relevant provisions of the Companies Act, post listing of Equity Shares pursuant to the Offer.

As on the date of this Draft Red Herring Prospectus, under the ESOP 2021, an aggregate of 5,746,209 options have been granted (including an aggregate of 2,490,409 lapsed options), an aggregate of 727,922 options have been vested and an aggregate of 430,339 options have been unvested. All options have been granted only to the employees of our Company in compliance with the relevant provisions of the Companies Act, 2013.

Further, as on the date of the Draft Red Herring Prospectus, our Company has issued Equity Shares under ESOP 2021 only once. On November 15, 2023, i.e. during the quarter ending December 31, 2023, 571,064 equity shares of face value ₹2 each were allotted to certain employees at a price of ₹2 per Equity Share pursuant to the exercise of employees stock options. Fore details, please refer "- *Equity Share Capital History of our Company*" on page 114.

The following table sets forth the particulars of ESOP 2021, including options granted as on the date of this Draft Red Herring Prospectus:

Particulars	For the period from April 1, 2025 till the date of this Certificate (₹ in million)	Financial Year ended March 31, 2025 (₹ in million)	Financial Year ended March 31, 2024 (₹ in million)	Financial Year ended March 31, 2023 (₹ in million)
Total options outstanding as at the beginning of the period (including vested and unvested options)	1,142,788	1,956,912	3,228,639	3,749,856
Total options granted	25,320	486,071	395,658	1,036,044
Total options exercised	Nil	Nil	(571,064)	Nil
Total number of employees to whom options were granted	2	197	58	178
Options forfeited/ lapsed/ cancelled	(9,847)	(161,660)	(706,583)	(1,535,082)
Surrender/ repurchase during the year	Nil	(1,138,535)	(389,738)	(22,179)
Options outstanding in force as at the end of period (including vested and unvested options)	1,158,261	1,142,788	1,956,912	3,228,639
Options vested (Excluding options that have been exercised)	727,922	609,785	1,372,446	2,011,224
Total number of equity shares as on date	73,329,138	73,329,138	73,234,353	52,891,897
Total number of equity shares (if all options are exercised)	74,487,399	74,471,926	75,191,265	56,120,536
Exercise price of options – weighted average exercise price per option (in ₹)	NA	7.85	2.05	0.26
Exercise price of options (in ₹) (as on the date of grant options)	2.00	2.00	2.00	2.00
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (vested and unvested options) (including options that have been exercised)	1,158,261	1,142,788	1,956,912	3,228,639
Variation in terms of options	Nil	Nil	Nil	Nil
Money realized by exercise of options during the period (in ₹ million)	Nil	Nil	1.14	Nil
Total number of options in force (vested and unvested options)	1,158,261	1,142,788	1,956,912	3,228,639
Employee wise details of options granted to				
- Key Managerial Personnel				
Aneesh Reddy Boddu	Nil	Nil	Nil	2,589
Anant Choubey	Nil	Nil	Nil	2,531
Gireddy Bhargavi Reddy	Nil	1,297	Nil	Nil
- Senior Management				
Rohan Anil Mahadar	Nil	Nil	Nil	2,063
Bollam Sridhar	Nil	Nil	Nil	1,473
James Vincent Sturm	Nil	Nil	Nil	Nil
Piyush Kumar	Nil	Nil	Nil	31,632
Sunil M Jain	Nil	14,533	Nil	631
Melody Mitchem	Nil	4,168	6,702	Nil
Santosh Reddy Nigudagi	Nil	23,001	Nil	1,913
Siddhant Jain	Nil	24,315	Nil	11,925
Ravi Jaswani	Nil	1,781	Nil	7,447
Lalit Sharma	Nil	Nil	Nil	570
- Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year				

Particulars	For the period from April 1, 2025 till the date of this Certificate (₹ in million)	Financial Year ended March 31, 2025 (₹ in million)	Financial Year ended March 31, 2024 (₹ in million)	Financial Year ended March 31, 2023 (₹ in million)
Arun Naikar	Nil	-	-	5.89%
Sameer Garde	Nil	-	20.75%	29.75%
John O'Neil	Nil	8.50%	5.73%	-
Clarissa Schealer	Nil	5.31%	-	-
Sumit Kumar	68.40%	Nil	Nil	Nil
Satvik Sarwade	31.60%	Nil	Nil	Nil
- Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share ("**EPS**")' (in ₹) for continuing operations[3]	N.A.	1.91	(12.15)	(17.63)
Fully diluted EPS on a pre- Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹) for continuing and discontinued operations[3]	N.A.	1.79	(10.55)	(17.46)
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of our Company	N.A.	Nil	Nil	Nil
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	(i) Valuation Method – Black Scholes[1] (ii) Risk-free interest rate (% p.a) – 6.60% (iii) Expected life of option (years) – 5.5 years (iv) Expected volatility (%) – 61.90% (v) Expected dividend yield (%) – 0% (vi) Weighted avg. share price (Pre-DLOM) - ₹526.70 (vii) Weighted avg. share price (Post-	(i) Valuation Method – Black Scholes (ii) Risk-free interest rate (% p.a) – 6.60% (iii) Expected life of option (years) – 5.5 years (iv) Expected volatility (%) – 61.90% (v) Expected dividend yield (%) – 0% (vi) Weighted avg. share price (Pre-DLOM) - ₹526.70 (vii) Weighted avg. share price (Post-DLOM) - ₹509.51	(i) Valuation Method – Black Scholes (ii) Risk-free interest rate (% p.a) – 7.12% (iii) Expected life of option (years) – 5.5 years (iv) Expected volatility (%) – 62.40% (v) Expected dividend yield (%) – 0% (vi) Weighted avg. share price (Pre-DLOM) - ₹307.80 (vii) Weighted avg. share price (Post-DLOM) - ₹297.25	(i) Valuation Method – Black Scholes (ii) Risk-free interest rate (% p.a) – 7.27% (iii) Expected life of option (years) – 5.57 to 6.25 years (iv) Expected volatility (%) – 62.40% (v) Expected dividend yield (%) – 0% (vi) Weighted avg. share price (Pre-DLOM) - ₹376 to ₹308 (vii) Weighted avg. share price (Post-

Particulars	For the period from April 1, 2025 till the date of this Certificate (₹ in million)	Financial Year ended March 31, 2025 (₹ in million)	Financial Year ended March 31, 2024 (₹ in million)	Financial Year ended March 31, 2023 (₹ in million)
	DLOM) - ₹509.51			DLOM) - ₹355.96 to ₹298.80
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in the SEBI SBEB & SE Regulations in respect of options granted in the last three years	Nil	Nil	Nil	Nil
Intention of the Key Managerial Personnel, Senior Management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under ESOP 2021, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any. In case of an employee stock option scheme, this information same shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer.	Based on the representation received from the management, we hereby certify that there is no intention by the Key Managerial Personnel, Senior Management, and Whole- time Directors to sell any equity shares allotted under employee stock option or stock purchase schemes within 3 months from the date of listing			
Intention to sell Equity Shares arising out of ESOP 2021 within three months after the date of listing, by Directors, key managerial personnel, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	Based on the representation received from the management, we hereby certify that there is no intention by the Directors, Senior Managerial Personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) to sell any equity shares allotted under employee stock option or stock purchase schemes within 3 months from the date of listing			
Method of option valuation	Discount for Lack of Marketability			
- Expected life of options (years)	5.5[(2)]	5.5	5.5	5.57 to 6.25
- Expected Volatility (% p.a.)	61.90%[(2)]	61.90%	62.40%	62.40%
- Risk Free Rate of Return (%)	6.60%[(2)]	6.60%	7.12%	7.27%
- Dividend Yield (% p.a.)	0%[(2)]	0%	0%	0%
Weighted average share price as per Pre discount for lack of marketability ("**DLOM**")	526.70[(2)]	526.70	307.80	376-308
Weighted average share price as per Post discount for lack of marketability ("**DLOM**")	509.51[(2)]	509.51	297.25	355.96-298.80
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	NA			

[(1)] *Pricing formula and method and significant assumptions of previous year consider same in the current year.*
[(2)] *Method of option valuation of previous year consider same in the current year.*
[(3)]*No impact on capital since our Company is following IndAS 102 "Accounting of Share Based Payments", which is in line with SEBI SBEB & SE Regulations, 2021.*

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] equity shares of face value ₹2 each, aggregating up to ₹4,300.00 million by our Company and an Offer for Sale of up to 18,331,386 equity shares of face value ₹2 each, aggregating up to ₹[●] million by the Selling Shareholders. For details, see "*The Offer*" beginning on page 96.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale shall be received by the Selling Shareholders and will not form part of the Net Proceeds. Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its respective proportion of the Offer expenses and relevant taxes thereon. For further details, please see "*– Offer Expenses*" on page 165.

Fresh Issue

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (in ₹ million)
Gross proceeds of the Fresh Issue[(1)]	4,300.00
(Less) Offer expenses in relation to the Fresh Issue[(2)(3)]	[●]
Net Proceeds [(3)]	**[●]**

(1) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

(2) For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to "- Offer Expenses" on page 165.

(3) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Net Proceeds

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to as the "**Objects**"):

1. Funding our cloud infrastructure cost;
2. Investment in research, designing and development of our products and platform;
3. Investment in purchase of computer systems for our business; and
4. Funding inorganic growth through unidentified acquisitions and general corporate purposes.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges which will result in the enhancement of our brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables us: (i) to undertake our existing business activities; and (ii) to undertake the activities for which the funds are being raised by us through the Fresh Issue.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the manner set forth below:

Particulars	Estimated amount[(1)] (in ₹ million)	Percentage of Net Proceeds (%)
Funding our cloud infrastructure cost	1,200.00	[●]
Investment in research, designing and development of our products and platform	1,515.44	[●]
Investment in purchase of computer systems for our business	103.16	[●]
Funding inorganic growth through unidentified acquisitions and general corporate purposes[(2)]	[●]	[●]
Net Proceeds [(1)(2)]	[●]	[●]

(1) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The cumulative amount to be utilised for general corporate purposes and towards unidentified acquisitions shall not, in aggregate, exceed 35% of the gross proceeds, out of which the amounts to be utilized towards either of (i) general corporate purposes, or (ii) unidentified acquisitions will not exceed 25% of the gross proceeds.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ million)

Particulars	Estimated amount proposed to be funded from Net Proceeds [(2)]	Estimated deployment of the Net Proceeds		
		Fiscal 2026	Fiscal 2027	Fiscal 2028
Funding our cloud infrastructure cost	1,200.00	150.00	525.00	525.00
Investment in research, designing and development of our products and platform	1,515.44	478.33	505.57	531.54
Investment in purchase of computer systems for our business	103.16	29.59	39.01	34.56
Funding inorganic growth through unidentified acquisitions and general corporate purposes[(1)]	[●]	[●]	[●]	[●]
Net Proceeds[(1)(2)]	[●]	[●]	[●]	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The cumulative amount to be utilised for general corporate purposes and towards unidentified acquisitions shall not, in aggregate, exceed 35% of the gross proceeds, out of which the amounts to be utilized towards either of (i) general corporate purposes, or (ii) unidentified acquisitions will not exceed 25% of the gross proceeds.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.*

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, and current circumstances of our business, all of which are subject to change. The actual utilisation and deployment of funds are dependent on a number of factors, including the timing of completion of the Offer, prevailing market conditions, our ability to expand our business, acquire new customers and retain our existing customers, our relationship with and the pricing of the products and services offered by technology vendor and service providers, current and valid quotations from the third party vendors which are subject to change in the future, access to qualified human resources, inorganic and geographic expansion opportunities, other commercial and technical considerations, which are subject to change and may not be within the control of our management, as well as general factors affecting our results of operations, financial condition, access to capital, business and strategy. The above fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. For further information on factors that may affect our internal management estimates, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.*" on page 82.

We may have to revise our funding requirements and deployment, as required, at the discretion of our management, and in accordance with applicable laws on account of internal factors such as our business and growth strategies and other external factors such as changes in the business environment and interest rate fluctuations, costs and other charges, competitive and regulatory landscape, our ability to identify and consummate new business initiatives which may or may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws.

Subject to applicable law, in case of variations in the actual utilisation of funds, in case of any surplus amount after utilization of the Net Proceeds towards any of the aforementioned Objects, we may use such surplus amount towards other Objects as set out above, provided that (a) the total amount to be utilized towards either general corporate purposes or funding inorganic growth through acquisitions, individually, does not exceed 25% of the Gross Proceeds in accordance with applicable law, and (b) the cumulative amount to be utilized for general corporate purposes and funding inorganic growth through unidentified acquisitions shall not exceed 35% of the Gross Proceeds.

Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

To the extent we are unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated schedule of deployment specified above, due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in the subsequent Fiscal as may be determined by our Company, in accordance with applicable laws. However, our Company shall not vary the Objects without being authorised to do so by our shareholders, in the event of a rescheduling of the deployment of the Net Proceeds beyond Fiscal 2029. For further details, please see "- *Variation in Objects*" on page 168.

Details of the Objects

1. **Funding our cloud infrastructure cost**.

   Our technology infrastructure is built on a scalable, cloud-based architecture that allows our customers to process large volumes of data on a real-time basis and ensure high-speed, secure and stable performance on a large scale to accommodate and support the increased complexity and diversity of their business operations. Our cloud platform is built to integrate seamlessly with the customer's existing technology stack.

   Cloud-native services also enable testing new features in a time efficient manner and introducing innovations to the market without heavy upfront infrastructure investment. Thus, using services of external cloud servers benefits us and our business in several ways, including:

   i. saving the significant upfront investments and time required to build a private cloud infrastructure comprising of data centers, hardware, networking, staffing, maintenance, etc;

   ii. aiding scalability with access to global data centres enabling us to serve our clients across jurisdictions;

   iii. providing access to a variety of complex tools enabling us to drive innovation, platform development and provide customised solutions for our customers driving focus on our core business.

Our robust third-party cloud ecosystem featuring container orchestration, infrastructure as code, document-oriented databases, cloud storage, and comprehensive monitoring tools enable us to provide advanced offerings like segmentation, workflow management, event streaming, and data engineering. Our cloud-based infrastructure setup ensures optimal performance, reliability, and agility across our customer engagement solutions.

<u>Historical expenditure software and server charges</u>

The table below sets out the software and server charges, including our server, software and other tool charges paid to various external service providers for Fiscals 2025, 2024 and 2023, respectively, on a consolidated basis:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	% of total expenses	Amount (in ₹ million)	% of total expenses	Amount (in ₹ million)	% of total expenses
Server charges*	578.59	10.85%	488.47	9.10%	248.62	7.66%
Software and other tool charges**	343.26	6.44%	447.37	8.33%	50.09	1.54%
Software and server charges	**921.85**	**17.29%**	**935.84**	**17.43%**	**298.71**	**9.20%**

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.
* *includes cost towards cloud servers that our technology infrastructure is built on.*
** *includes cost towards software and other tools used for service delivery to customers.*

For details, see "*Restated Consolidated Financial Information*" on page 367.

We, from time to time, enter into private pricing agreements and arrangements with technology service providers for the provision of technology and cloud infrastructure services. For instance we through one of our Material Subsidiaries, Capillary Pte. Ltd have executed two private pricing addendums, with a prominent third-party cloud infrastructure provider ("**Service Provider**") each dated September 22, 2023 one of which was amended through an amendment agreement dated October 30, 2024, ("**Technology Agreements**"), for a period of five years from October 1, 2023 until September 30, 2028, pursuant to which we have made the following annual spend commitment ("**Annual Commit**") that applies to our Company and Subsidiaries:

Particulars	Contract year				
	October 1, 2023 to September 30, 2024	October 1, 2024 to September 30, 2025	October 1, 2025 to September 30, 2026	October 1, 2026 to September 30, 2027	October 1, 2027 to September 30, 2028
Spend Commitment (in USD million)	2.68	2.68	2.68	2.68	2.68
Spend Commitment (in ₹ million)	229.03	229.03	229.03	229.03	229.03

* *For the purposes of these estimations, a conversion rate of 1 USD = ₹85.46 as on March 31, 2025 has been considered*

We have also signed up for savings plan provided by the Service Provider pursuant to which we avail Compute Services (*defined below*) at fixed hourly rates on committing to availing the Compute Services for a specified tenure ("**Savings Plan**"). Under the Savings Plan we have committed to spend a specified amount, of which an aggregate of USD 1.95 million ₹166.65 million* is unspent and indicates our unexpired commit towards Compute Services which is outstanding to be incurred up to March 23, 2028 ("**Compute Commit**").

* *For the purposes of these estimations, a conversion rate of 1 USD = ₹85.46 as on March 31, 2025 has been considered*

We avail a bouquet of services and utilise several tools provided by Service Provider, including the following:

i. *Compute services*. It provides scalable computing capacity in the cloud and allows users to run virtual machines with customisable configurations or run code in response to events without provisioning servers ("**Compute Services**").

ii. *Container services*. Helps in deploying, managing, and scaling containerised applications ("**Container Services**").

iii. *Storage and data Services.* Offers secure, scalable, and durable storage options and is widely used object storage service, ideal for backup, archival, and big data. Additionally, we avail monitoring and management services that help maintain performance, security and reliability across the cloud infrastructure ("**Storage, Data and Monitoring Services**").

iv. *Networking Services*. Enables secure, scalable, and high-performance connectivity and lets users create isolated networks within the cloud computing platform, defining IP ranges, subnets, and routing rules along with container solutions, and storage and data services. ("**Networking Services**").

(the Container Services, Storage, Data and Monitoring Services, and Network Services are collectively referred to as "**Storage, Container and Networking Services**").

We have incurred an aggregate cost of ₹1,192.08 million towards Service Provider for the various services availed and tools utilised, including for Compute Services, and Storage, Container and Network Services, during the Fiscals 2025, 2024 and 2023 as set forth below:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	% of Software and Server charges	Amount (in ₹ million)	% of Software and Server charges	Amount (in ₹ million)	% of Software and Server charges
Compute Services	201.51	21.86%	132.35	14.14%	108.04	36.17%
Storage, Container and Networking Services	317.06	34.39%	292.54	31.26%	140.58	47.06%
Cost towards the Service Provider	**518.57**	**56.25%**	**424.89**	**45.40%**	**248.62**	**83.23%**

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

In accordance with the Technology Agreement, the Annual Commit is the minimum amount required to be spent for each contract year, failing which we are required to pay the shortfall amount to the Service Provider. However, as set out above we have historically paid significantly higher amounts towards fees to the Service Provider. Our cost towards the Service Provider as a percentage of Annual Commit (which includes payment towards Compute Commit) for the Fiscal 2025 was 226.42% and for the period starting October 1, 2023 to March 31, 2024 was 190.98%. There was no arrangement with the Service Provider for the period between April 1, 2022 till September 30, 2023 under the Technology Agreements.

For risk pertaining to our reliance on third-party service providers, see "*Risk Factors – We rely on third-party service providers including data centers and cloud computing providers, and any interruption or delay in service from these facilities could impair the delivery of our products and adversely impact our business and results of operations. Further, any increase in fee charged by such service providers may have an adverse impact on our profitability.*" on page 50.

Proposed utilisation of Net Proceeds

Historically, our strategic investments and costs incurred on our cloud infrastructure has facilitated in optimising platform performance and ensuring our ability to efficiently manage our increasing transaction volumes. The number of consumers on our platform have increased consistently over the years. The table below sets out the increases in our consumers, as well as loyalty transactions processed per hour in Fiscals 2025, 2024 and 2023:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of consumers (*in million*)	1,256	1,132	969
Percentage increase in number of consumers (%)	11.00%	16.78%	NA
Number of loyalty transactions per hour (*in million*)	0.18	0.15	0.10
Percentage increase in number of loyalty transactions per hour (%)	21.72%	53.57%	NA

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

In order to keep pace with evolving customer needs and enhance overall efficiency, we plan to continue funding and expanding our cloud infrastructure including leveraging the services provided by external vendors. In this regard, we expect our spend on cloud infrastructure to be higher than (i) our spend in last three Fiscals of ₹1,192.08 million as well as (ii) our outstanding unexpired Annual Commit.

However, we intend to utilize up to ₹1,200.00 million of the Net Proceeds towards funding our cloud infrastructure cost, to be deployed as ₹150.00 million in Fiscal 2026, ₹525.00 million in Fiscal 2027 and ₹525.00 million in Fiscal 2028, through payments to be made by our Company or Subsidiaries. In case of actual expenses towards cloud infrastructure is higher than amounts raised through Net Proceeds, the requirement of additional funds will be met by any means available to us, including internal accruals.

None of our Directors, Key Managerial Personnel, Senior Management Personnel, Promoters, members of our Promoter Group and our Group Companies have any interest in the proposed investment to be made by our Company towards this Object.

2. **Investment in research, designing and development of our products and platform**

We provide a comprehensive set of artificial intelligence ("**AI**") led cloud-native Software-as-a-Service ("**SaaS**") products for customer relationship management ("**CRM**") and the loyalty management industry. Our expertise, advanced technology, and ability to deliver measurable business impact have enabled a significant client base including fortune 500 companies across industries. (*Source: Zinnov Report*). Unlike traditional solutions that focus on isolated aspects of loyalty (*Source: Zinnov Report*), our advanced loyalty management platform (*Loyalty+*), connected engagement platform (*Engage+*), predictive analytics platform (Insights+), rewards management platform (*Rewards+*) and customer data platform ("**CDP**") allow our customers to run end-to-end loyalty programs throughout the customer value chain, and provide an integrated approach that combines customer data, advanced analytics, and AI-driven engagement. We leverage AI and machine learning (ML) technology to deliver personalized experiences to our customers.

Research and development ("**R&D**") activities undertaken by us play a significant role in the sustainable growth of our business, as such R&D initiatives drive innovation, improve product quality, enhance the user experience, and ultimately help us achieve competitive advantage and sustainable growth. This makes R&D a necessary on-going and strategic activity. Our investments in R&D enable us to develop new features, explore emerging technologies, address industry specific challenges and help us cater to the constantly evolving market needs. Such R&D activities involve developing new products, integrating new technologies and developing new functionalities for our existing product offerings.

The research, design, development and maintenance of our products and platform is heavily dependent on our engineers, product managers and data scientists for understanding client needs and delivering customised solutions, interpreting complex customer data and translating into strategies and driving innovation to deliver complex AI based solutions. Thus, our employees are central to our business where innovation is key. For risk pertaining to our reliance on qualified personnel, see "*Risk Factors – We are significantly dependent on our employees for our business operations (including for design, development and maintenance of our products and platform, customer acquisition and retention) and we incur significant expenses in relation to meeting our obligations towards our employees. The loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.*" on page 49.

Product research and design

We continuously explore new technologies, assess their feasibility, and identify potential risks early in the development process ("**Research and Design**"). Our Research and Design team which consists of 26 employees as at March 31, 2025, and third-party contractors is a multidisciplinary function focused on shaping product direction, validating decisions through research, and ensuring rapid and quality delivery. The Research and Design team, consisting of engineers and marketing personnel, plays a role in the engineering, design, marketing and customer success. It contributes to product excellence through strategy, design input, documentation, and quality assurance (QA) automation enablement. Their core responsibilities include:

i. conducting market research and competitive analysis to identify opportunities and threats and inform product decisions;

ii. defining and iterating product goals in alignment with our overall objectives and market opportunities;

iii. carrying out internal and external engagements to deliver elegant, user-centric experiences rooted in real, evolving customer needs;

iv. collaboration with cross-functional teams including the engineering, design, marketing, sales and customer support teams to ensure successful product development and launch;

v. preparation and publication of product roadmaps that outlines key features, milestones, and timelines;

vi. own the creation and maintenance of detailed databases of appropriate reference materials, including research, usability tests and design specifications;

vii. managing the entire product lifecycle from conception to end-of-life, ensuring continuous improvement and customer satisfaction; and

viii. acting as a bridge between product requirements and automated testing design.

Product and platform development

We consistently customise and improvise our product offerings and endeavour to build industry specific SaaS solutions by introducing new products for consumers, developing the existing technology in-house and invest in revenue generating features (collectively with other activities towards development of our offerings, "**Product and Platform Development**"). We are dependent on our Product and Platform Development team and also use the services of few third-party service providers for assisting and executing Product and Platform Development activities.

Our focus in the last three Fiscals were towards development of new features to our existing products, development of new products and integration with our customers' existing technology stack.

Set forth below are the details of product offerings and the significant developments undertaken in our existing product offerings during the Fiscals 2025, 2024 and 2023:

i. ***Loyalty+***: a configurable, AI-powered loyalty program software that enhances brand engagement and repeat purchases. Our major focus within this product was, *inter alia*, development of loyalty rule engine, which helps in scaling and improves usability of the loyalty scale engine.

   For instance, we built rewards catalogue to support for various redemption schemes like gift cards, and cashback etc., with customer's personalization for a large conglomerate in India which enabled them to simplify the handling of coupons and made loyalty programs more flexible and easier to manage.

ii. ***Insights+***: an analytics platform that aggregates multi-channel consumer data, cleanses and enriches it, and provides actionable insights. It supports ad-hoc analysis, key performance indicators tracking of the customers, behavioural funnels, and automated segment uploads with robust role-based access. Our major focus within this product was development of a business reporting tool, which helps in analysing customer data.

   For instance, we built unified reporting across subsidiaries of large customers, allowing cross-brand performance analysis and segmentation for an enterprise which enabled precision targeting of its customers.

iii. ***Engage+***: a marketing automation platform that helps businesses run personalized campaigns across email, short message service (SMS), social media and in-store. It features performance dashboards, campaign search and filters, audience management, social media integration, role-based access and advanced reporting. Our major focus within this product was development of the 'journey builders', a feature that guides customers through a personalized experience throughout their consumer lifecycle aimed at building loyalty and increased engagement.

For instance, we built smart personalization incorporating various communication channels and ways to track campaign goals, and tools to understand what's driving results. We also made it easier for large multi-brand companies to engage customers across all their brands.

iv. ***CDP***: a real-time customer data platform that unifies and utilizes customer data for personalized experiences. It has features which enable data management, seamless connections, personalized care and fraud prevention. Our main focus has been on providing features for big enterprise customers and ensuring the platform is stable.

For instance, we created the connected organizations feature to help large, multi-brand companies manage loyalty programs worldwide for an enterprise.

Set forth below are the details of new product offerings developed during Fiscals 2025, 2024 and 2023:

i. ***Rewards+***^: a comprehensive loyalty and rewards solution designed to enhance customer engagement and drive profitability for businesses that leverages AI and ML, gamification, and a broad rewards network to offer personalized customer experiences. Our major focus within this product was building a dynamic rewards marketplace, offering a wide array of benefits, including card-linked offers, coupons, gift cards, cashback, and discounts and other offers on categories such as entertainment, travel, retail, and dining.

These features offer more ways to earn, beyond just the usual points system for our BFSI and telecom customers.

^ *We developed a new product named Rewards+, utilising the assets of Digital Connect business acquired from Tenerity LLC*

ii. ***Healthcare offerings***: a loyalty solution for the healthcare industry that enhances patient engagement and retention through personalized programs. It fosters long-term relationships by offering customized rewards, personalized communication, and analytics to track patient behaviour and outcomes. Our major focus within this product has been development of an application for healthcare industry which helps in developing healthy habits amongst the consumers.

For example, we created a feature for a healthcare client, that allows to earn rewards by reaching daily step goals or completing fitness challenges.

For details pertaining to our product offerings and case studies please see "*Our Business – Our Products*" and "*Our Business – Case Studies*" on page 248 and 281.

Historical manpower expenditure on Research and Design, and Product and Platform Development

Our Research and Design, and Product and Platform Development activities are undertaken by diverse base of employees comprising of engineers with varied skillsets, and third-party service providers. The manpower cost towards Research and Design, and Product and Platform Development consists of (i) payment of salaries to our in-house personnel; and (ii) fees to professionals engaged by us through third party agencies. Further, we continuously invest in attracting quality tech talent to enhance the use and reach of our platform.

The table below sets forth the details of employees and professionals engaged by us through third party agencies contributing to Research and Design expenditure, and Product and Platform Development in Fiscals 2025, 2024, and 2023 along with cost incurred towards them:

Particulars	**Fiscal 2025**	**Fiscal 2024**	**Fiscal 2023**
	Salary/professional fee paid (in ₹ million)	**Salary/professional fee paid (in ₹ million)**	**Salary/professional fee paid (in ₹ million)**
Manpower cost towards Research and Design			
Employees*	91.73	77.73	62.61
Professionals engaged through third party agencies*	23.56	25.92	15.04
Manpower cost towards Product and Platform Development			

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	Salary/professional fee paid (in ₹ million)	**Salary/professional fee paid (in ₹ million)**	**Salary/professional fee paid (in ₹ million)**
Employees**	265.36	225.52	141.65
Professionals engaged through third party agencies	127.21	17.81	51.35
Grand Total	**507.86**	**346.99**	**270.65**

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

* *As of the end of the respective Fiscal*

** *The count of employees who worked towards Product and Platform Development in the given Fiscal*

Proposed utilization of Net Proceeds

We believe that sustained investment in AI and research and development activities will be critical to maintaining our competitive edge. As we aim to expand into new industry verticals and deepen our presence in global markets, we will need a broader portfolio of AI-powered loyalty product features to effectively serve diverse customer needs across geographies. Developing such solutions will require continuous investment and innovation in advanced AI models, data infrastructure, and personalisation engines to ensure relevance and effectiveness.

For instance, in certain emerging markets such as APAC, companies are looking to extensively adopt loyalty management software and embark on various efforts to improve brand loyalty and encourage repeat purchases. Further, in markets such as EMEA, changing end-user demographics, growing expenditure on loyalty programs, rapid growth in the applications of AI and analytics, and appreciation for online reward management solutions are adding to the loyalty market growth (*Source: Zinnov Report*). We believe these factors pose a significant opportunity for scalable, AI-first solutions that can accelerate digital transformation and customer retention.

Additionally, we intend to focus on leveraging technological advancements in areas such as real-time analytics, behavioral segmentation, predictive loyalty, and omnichannel orchestration. These capabilities are not only expected to strengthen the value proposition of our products but are also expected to improve platform efficiency.

Research and Design

Our key focus areas under Research and Design include:

1. ***API-first loyalty management***

   Building a comprehensive API platform for seamless integration of loyalty programs, supporting real-time member benefits and flexible points management.

2. ***Product experience***

   Developing an intuitive self-service platform enabling businesses to independently manage loyalty programs, create promotions, and configure rules

3. ***Enterprise readiness***:

   Implementing enterprise-grade features including advanced reporting, data exports, compliance tools, and multi-level account management

4. ***Kognitiv and other migrations***:

   Implementing real-time audiences, integrating segmentation and audiences, simplifying tiers and merging/simplifying the incentives stack

5. ***Experimentation and generative loyalty***:

Creating an AI-powered platform for testing and optimising customer journeys with personalised experiences and targeted promotions

6. ***Immersive loyalty experience***:

   Implementing innovative gamification features including dynamic leaderboards, mystery rewards, and flexible redemption options

7. ***Coalition management***:

   Building a comprehensive partner ecosystem platform with automated onboarding, settlement systems, and partner promotion tools

Product and Platform Development

We will continue to develop and add new features to our existing offerings, namely, of Loyalty+, Insights+, Engage+, CDP, Rewards+ and the healthcare offerings in future to, *inter alia,* (i) drive our growth; and (ii) enable precise customer segmentation, real-time offer personalization, and smarter loyalty program management across industries and geographies.

Additionally, we will deploy the Net Proceeds towards building the following features within our existing product offerings:

1. ***Sandbox***: an offering being developed under Loyalty+ and CDP, that creates a sandbox environment to simulate real-world scenarios, allowing teams to test and validate systems in a controlled setting. Our major focus in the next three Fiscals will be towards development of features like API call testing, data synchronization validation, campaign logic adjustments, and the ability to replicate real-time conditions to test new functionalities and integrations.

2. ***Loyalty + UX***: a feature that revamps the Loyalty+ platform's user interface to simplify program management and enhance user experience. Our major focus in the next three Fiscals will be towards development of features like a streamlined design that prioritizes ease of navigation, advanced performance metrics, and new tools to boost user engagement and enhance overall platform usability.

3. ***AI Enhancements***. An integration of advanced AI features, including predictive analytics, personalized recommendations, and real-time insights. Our major focus in the next three Fiscals will be towards development of new features within our existing product offerings which will enable customers to, *inter alia*, (i) personalize their content and loyalty programs to increase customer lifetime value (ii) cross-sell products; (iii) automate repetitive tasks; and (iv) optimize the timing and difficulty of challenges, and streamline business-as-usual (BAU) operations for stakeholders. The AI tools are embedded in platforms like Loyalty+ and Engage+, significantly improving operational speed and decision-making accuracy.

We will also continue to develop new offerings in the future to, *inter alia*, (i) diversify our revenue streams; and (ii) develop industry-specific loyalty solutions that cater to the unique needs of various sectors.

For the purposes of the above, we will need to invest in retaining and further strengthening our technical teams with relevant skill-sets to build, support, manage and enhance our existing products and also build new products which will allow us to cater to different customer segments, invest in the required tools and platforms to improve our existing products and develop new products. Owing to the nature of our business, for optimum utilisation of the technology, research, designing and development of new products, innovating and introducing new features to existing products and a seamless experience of our platform, we are in constant lookout for skilled personnel and maintain focus on retention thereof. Accordingly, due to the competition for skilled technology and data personnel in the Indian, US and other markets in which we operate, hiring and retaining appropriate personnel requires significant infusion of funds and resources by us. For details, please see "*Risk Factors – We are significantly dependent on our employees for our business operations (including for design, development and maintenance of our products and platform, customer acquisition and retention) and we incur significant expenses in relation to meeting our obligations towards our employees. The loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.*" on page 49. We may also outsource certain services relating to the above aspects to external professionals sourced from service providers.

Pursuant to a resolution dated June 18, 2025, our Board has approved the utilisation of ₹1,515.44 million from the Net Proceeds to strengthen our Research and Design and Product and Platform Development capabilities.

Further, set forth below are the details of deployment of Net Proceeds towards Research and Design, and Product and Platform Development:

Particulars	**Fiscal 2026**	**Fiscal 2027**	**Fiscal 2028**
	Amount (in ₹ million)	**Amount (in ₹ million)**	**Amount (in ₹ million)**
Research and Design (A)	144.02	173.38	195.05
Product and Platform Development (B)	334.31	332.18	336.49
Total estimated expenditure on personnel cost for Research and Design, and Product and Platform Development (A+B)	**478.33**	**505.57**	**531.54**

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

Our spends towards this Object will be in line with our growth strategies and estimates of overall growth of our businesses.

None of our Directors, Key Managerial Personnel, Senior Management Personnel, Promoters, members of our Promoter Group and our Group Companies have any interest in the proposed investment to be made by our Company towards this Object.

3. **Investment in purchase of computer systems for our business**

We propose to purchase computer systems from a portion of the Net Proceeds aggregating to ₹103.16 million, to aid in the running of our business. We have in the past invested, and continue to invest, in our information technology equipment in order to improve our efficiency and support development of our platform to meet changing customer requirements and expectations. The expenditure on procurement of computer systems help us in enhancing the overall efficiency and productivity of our workforce by equipping teams with modern, high-performance computing devices, replacing technologically obsolete hardware assets, supporting business continuity, data management and secure access in both on premises and hybrid work environment.

We have also instituted a computer systems replacement policy, effective from August 10, 2024 ("**Computer Systems Replacement Policy**"), to establish guidelines for efficient utilisation and replacement of the computers used by our employees every four (4) years. The necessity of the Computer Systems Replacement Policy is to ensure that employees have access to reliable, secure, and efficient computing resources to effectively perform their duties. The policy applies to all employees who have been issued computers by the organization and covers the replacement, recycling, and reassignment of computers that have reached the end of their useful life.

The details of our historical investment in purchasing/acquiring computer systems for Fiscals 2025, 2024 and 2023 are set forth below:

Particulars	**Fiscal 2025**			**Fiscals 2024**			**Fiscals 2023**		
	Number	**Amount (in ₹ million)**	**% of gross block of property, plant and equipment**	**Number**	**Amount (in ₹ million)**	**% of gross block of property, plant and equipment**	**Number**	**Amount (in ₹ million)**	**% of gross block of property, plant and equipment**
Computer Systems*	301	30.52	31.10%	287	30.01	40.90%	208	18.72	29.20%

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.
* *includes laptops and desktops.*

While we intend to utilise ₹103.16 million from the Net Proceeds to purchase computer systems as set out below, based on our current estimates and business requirements, the specific number and configuration of such computer systems may change depending on our future business requirements and technological advancements. Further, no second-hand or used computer systems are proposed to be purchased out of the Net Proceeds.

Below is an indicative list of computer systems that we intend to procure, along with details of the quotations we have received in this respect, which has been certified by Saini Pati Shah & Co LLP, Chartered Accountants pursuant to their certificate dated June 18, 2025. Further, each of the units of the computer system mentioned below is proposed to be acquired in a ready-to-use condition:

Description	Estimated Cost per unit (in ₹)[(1)]	Estimated Quantity	Total estimated cost (in ₹ million)	Name of the vendor	Date of quotation	Period / date of validity	Estimated time of deliver
Lenovo Thinkpad L14 Gen 5 Ultra	90,100	300	27.03	Ample Digital Pvt Ltd	May 12, 2025	180 days	1 to 2 Weeks after receiving purchase order
Apple Macbook Pro M4 Chipset and Apple Care+	140,700	300	42.21	Ample Digital Pvt Ltd	May 12, 2025	180 days	1 to 2 Weeks after receiving purchase order
Lenovo Thinkpad L14 Gen 5 Intel	84,792	400	33.92	e-nnovations IT Solutions	May 2, 2025	180 days	Within 21-22 days from the date of receipt of purchase order and payment.
Total		**1,000**	**103.16**				

As certified by Saini Pati Shah & Co LLP, chartered accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

(1) *Estimated cost per unit is exclusive of Goods and Services Tax.*

We are yet to place orders for the above mentioned computer systems proposed to be purchased through the Net Proceeds aggregating to ₹103.16 million and accordingly, we are yet to place orders for 100% of the total estimated cost in relation to the purchase of such computer systems. Set forth below is the details of deployment of Net Proceeds for procurement of computer systems:

(in ₹ million)

Particulars	Fiscal 2026	Fiscal 2027	Fiscal 2028
Purchase of computer systems	29.59	39.01	34.56

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, since we have not entered into any definitive agreement / raised purchase orders with the vendor, there can be no assurance that the same vendor would be engaged to eventually supply laptops of the same configuration or at the same costs. Hence, the purchase of laptops and proposed deployment is subject to final terms and conditions agreed with the vendor including configuration, costs, delivery schedules and other factors prevailing at that time. Further, we may purchase laptops of different configuration, make and model depending upon the system and technology upgrades, timing of such purchases and our requirements at that time. The prices mentioned in the quotations and as stated above exclude applicable taxes. Such additional taxes shall be funded from internal accruals, if applicable. Further, the actual purchase price and delivery periods may be subject to change at the time of placing of the orders. If there is any increase in the costs of the laptops, the additional costs shall be paid by us from our internal accruals.

None of our Directors, Key Managerial Personnel, Senior Management Personnel, Promoters, members of our Promoter Group and our Group Companies have any interest in the proposed investment to be made by our Company towards this Object.

4. Funding inorganic growth through unidentified acquisitions and general corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards funding inorganic growth through unidentified acquisitions and general corporate purposes, in a manner as approved by our Board from time to time, subject to such amount to be utilised for general corporate purposes and towards unidentified acquisitions not, in aggregate, exceeding 35% of the Gross Proceeds, out of which the amounts to be utilised towards either of (i) general corporate purposes, or (ii) unidentified acquisitions and other strategic initiatives shall not exceed 25% of the Gross Proceeds.

(a) Funding inorganic growth through unidentified acquisitions

In pursuit of our overall strategy to continue scaling our business, we intend to keep pursuing strategic investments and acquisitions which are complementary to our business to enhance our product and service capabilities and offerings. We intend to continue to selectively pursue opportunities for evaluating potential targets for strategic investments, acquisitions, and partnerships, based on following criteria:

i. acquiring businesses that complement our product and service offerings which are able to synergise with our existing business model, thereby providing us new capabilities to serve our existing consumers.

   For instance, in September 2021, we made a strategic investment pursuant to which we acquired Persuade Loyalty, LLC and Persuade Holdings, Inc. and completed our first acquisition in the US market. This acquisition gave us presence in the US market and access to client base comprising multiple Fortune 100 and Fortune 500 companies as customers, which we believe can serve as a growth engine for our operations particularly in North America.

ii. Acquiring technology and consulting companies focused on loyalty, rewards, engagement, and promotions that provide solutions across the entire customer value chain, with the goal of integrating these digital capabilities into Capillary's platform to strengthen our end-to-end offerings.

iii. acquiring technology infrastructure thereby enhancing our service/product offerings;

iv. 'acqui-hire' opportunities, wherein we acquire a company and its experienced and skilled team, to further strengthen our existing ecosystem;

v. enhance our service capabilities both internally and externally through investments in the loyalty segments; and

vi. Focusing on acquiring companies/businesses which help in penetrating further in North America and other markets including Europe.

There is an untapped potential in the enterprise market in Asia-Pacific, EMEA and the North American regions, projecting a significant growth rate of 16.6%, 8.7% and 5.2%, respectively from years 2024 to 2029. The US enterprise loyalty market, valued at approximately USD 5 billion in 2024, is dominated by a large number of small players, with 75-80% of the market already using some loyalty solution, loyalty solutions are highly sticky. Many of these players have outdated technology stacks and low EBITDA, requiring modernization investments. (*Source: Zinnov Report*) As part of our strategy, we will target companies that have a strong enterprise sales presence and a well-established US footprint and selectively expand into evolved markets such as Europe, following a similar strategy. We target companies with revenues in the range of US$ 10 million – US$ 20 million with enterprise sales and presence within the United States for acquisition

We have spent an aggregate amount of to ₹4,389.07 million on acquisitions in the past five years through our Material Subsidiaries, CPL and CTL. The table below summarizes the key acquisitions that we have undertaken in the past five years:

[*Remainder of the page has been intentionally left blank*]

Sr. No.	Acquisition	Year of acquisition	Region of acquired entity / asset	Consideration (in million)	Consideration (₹ in million)	% shareholding/ stake acquired	Nature of acquisition	Acquisition rationale	Acquiring entity
1.	Persuade Loyalty, LLC (*renamed to Capillary Technologies LLC*)	2021	USA	USD 15.00	1,076.25[**]	100	Purchase of shares	Persuade complements our product and service offerings and has enabled us to enter the US region	CPL, our wholly owned Material Subsidiary
	Persuade Holdings, Inc.[#]	2021	USA	USD 10.90	782.08[**]	100	Purchase of shares		CPL, our wholly owned Material Subsidiary
2.	Brierley & Partners, Inc. (*renamed to Capillary Brierley Inc.*)	2023	USA	USD 10.06	826.30[**]	100	Purchase of shares	To strengthen our presence in the North American market and enhance our consulting capabilities. B+P's brand recognition and expertise in loyalty strategy and design consulting complements our existing offerings.	CTL, a wholly owned subsidiary of CPL
3.	Brierley Europe Limited (*renamed to Capillary Technologies Europe Limited*)	2023	UK	USD 0.0001	0.0082[**]	100	Purchase of shares	Brierley has been recognised as a leader in the past by a research and advisory firm. Their loyalty consulting and design service offering also complemented our overall offerings and added to our product and service suite	CPL, our wholly owned Material Subsidiary
4.	Assets of Digital Connect business[^]	2023	UK and USA	USD 3.36	277.33[**]	Not applicable on account of purchase of assets	Asset Purchase	To expand our Company's presence in the European Union market, for loyalty and customer engagement solutions, in addition to supplementing our product suite with the rewards and redemption platform.	CPL, our wholly owned Material Subsidiary
5.	Capillary Technologies Inc.	2023	USA	SGD 0.01	0.78[**]	100	Purchase of shares	To enhance operational efficiency in the USA, CTL acquired 100% stake in Capillary Technologies Inc. from one of our Promoters, CTIPL with the intention of consolidating the businesses in the USA	CTL, a wholly owned subsidiary of CPL
6.	Kognitiv[*]	2025	USA and Canada	CAD 17.28	1,026.95[$]	Not applicable on account of	Asset purchase	It is a well-established loyalty technology provider operating	CTL, a wholly owned subsidiary of CPL

Sr. No.	Acquisition	Year of acquisition	Region of acquired entity / asset	Consideration (in million)	Consideration (₹ in million)	% shareholding/ stake acquired	Nature of acquisition	Acquisition rationale	Acquiring entity
						purchase of assets		primarily in the North American market. Acquisition rationale was to operate Kognitiv Group's flagship loyalty platform independently while building feature parity and necessary enhancements into our own platform to ensure uninterrupted service for existing customers and enable a smooth transition.	
				CAD 4.39	260.79[$]	Not applicable on account of purchase of assets	Asset purchase		
				CAD 2.33	138.58[$]	100	Purchase of shares		

[#] *The entity was closed on June 2, 2023 on account of internal restructuring and there was no continuing business in the entity.*
[^] *We developed a new product named Rewards+, utilising the assets of Digital Connect business acquired from Tenerity LLC*
[*] *Kognitiv includes acquisition of shares of Kognitiv Solutions Inc., incorporated in Canada and assets consisting of business intellectual property rights of Loyalty Solutions Holdings US Inc. and certain assets and liabilities of Kognitiv US LLC w.e.f. May 1, 2025.*
[$] *Conversion rates used for the INR amounts for Kognitiv acquisitions is as of March 31, 2025, being the date of the Asset Purchase Agreement, i.e., 1 CAD = ₹59.43 (Source: www.x-rates.com).*
[**] *The INR equivalent amount of the consideration has been specified based on the consideration set out in the underlying books of accounts at the time of acquisition*

With the above acquisitions, we have demonstrated our ability to migrate businesses onto our platform. By selecting acquisitions that complement our existing capabilities, we ensure seamless integration and synergy through our comprehensive suite of solutions and cross-selling options. Our disciplined approach to acquisitions has allowed us to scale businesses and integrate them into our broader ecosystem. For example, pursuant to acquiring Persuade Group in September 2021, we have experienced significant growth in the United States. Persuade Group's revenues increased from ₹505.52 million in Fiscal 2023 to ₹ 1,078.08 million in Fiscal 2024 and ₹ 2,121.95 million in Fiscal 2025, representing 19.80%, 20.53% and 35.47% of our revenue from operations in such years, respectively. Given Persuade Group's strong customer base, including Fortune 100 and Fortune 500 companies, and cash-positive operations, we intended to further invest in North America. Focusing on our expansion in the North America, we subsequently acquired B+P in April 2023 and Kognitiv in May 2025 operating primarily in the North American markets.

For further details, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 310. Also, see "*Our Business – Our Growth Path – Inorganic Growth*" on page 256.

Our ability to identify value generating acquisition targets, integrate them seamlessly, and drive sustained growth underscores our strength in market consolidation and strategic expansion. For further details, see "*Our Business - Proven Playbook to Integrate and Turnaround Acquired Businesses*" on page 267.

Rationale for future inorganic initiatives

The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. We continue to pursue inorganic acquisitions to drive sustained growth that underscores our strength in market consolidation and strategic expansion. While we continue to invest significantly towards Product Research and Design, and Product and Platform Development, we believe that inorganic growth will also be a viable method for enhancing our product offerings, acquiring high quality engineering talent or for acquiring specialised technologies enabling us to enter new geographies.

Proposed form of investment and nature of benefit expected to accrue:

The criteria discussed above will also influence the form of investment for these potential acquisition and strategic partnership prospects, i.e., whether they will involve equity, debt or any other instrument or combination thereof. At this stage, we cannot identify any potential strategic investments or acquisitions, the investment or acquisition process or the size and whether the form of investment will be equity, debt or any other instrument or combination thereof, or any such investment platform or if such acquisition will be in domestic market or outside India or both. The portion of the Net Proceeds, allocated towards this object of the Offer may not be the total value or cost of any such strategic initiatives, but is expected to provide us with sufficient financial leverage to enter into binding agreements. In the event that there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met through our internal accruals and/or debt financing or any combination thereof.

Further, in accordance with the SEBI Listing Regulations, with respect to such acquisitions proposed to be made from the Net Proceeds, our Company will disclose to the Stock Exchanges, the required details of the acquisition, including name of the target entity, cost of acquisition and nature of acquisition, at the relevant stages as prescribed therein.

Investment process for acquisitions

Our acquisition strategy is primarily driven by our Board. We have established a dedicated mergers and acquisitions function to accelerate growth through strategic acquisitions in fragmented, high-value markets. The typical framework and process followed by us for acquisitions involves identifying the strategic investments or acquisitions based on the criteria set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, we enter into definitive agreements after the approval of our Board and the Shareholders, if required under applicable law. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, 2013, FEMA and the regulations notified thereunder, as the case may be. As on the date of this Draft Red Herring prospectus, we have not entered into any definitive agreements in relation to any proposed strategic investments or acquisitions for which we intend to utilize Net Proceeds.

For risk pertaining to funding inorganic growth through unidentified acquisitions, see "*Risk Factors - We propose to utilize a portion of the Net Proceeds to undertake inorganic growth through acquisitions for which the target(s) are yet to be identified, and may not be identified until the listing and trading of the Equity Shares, and which acquisitions may not be successfully concluded. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive arrangements or identified any targets towards any of our future acquisitions. If the Net Proceeds proposed to be utilized towards funding inorganic growth through acquisitions are insufficient for the cost of our proposed acquisitions and other strategic initiative, we may have to seek alternative forms of funding.*" on page 63.

Our Company will utilise the portion of Net Proceeds earmarked towards this Object by Fiscal 2028 as per schedule of deployment specified under "- *Proposed schedule of implementation and deployment of Net Proceeds*" in accordance with applicable laws.

(b) General corporate purposes

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, without limitation, (i) meeting ongoing general corporate contingencies and exigencies and business requirements of our Company and subsidiaries, (ii) expenses incurred by us in the ordinary course of business, (iii) employee and other personnel expenses incurred by us, (iv) brand building and other marketing expenses, (v) working capital requirements (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by the Board, based on our business requirements and other relevant considerations (including applicable law), from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any. The amount to be utilised from the Net Proceeds towards general corporate purpose shall not be used for utilisation for any of the other identified objects of the Offer.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank(s) to the Offer, including the processing fee to the SCSBs for processing application forms, underwriting commission, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses, fees payable to consultants and Statutory Auditors for deliverables in connection with the Offer and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue, audit fees of statutory auditors (to the extent not attributable to the Offer) and expenses in relation to product or corporate advertisements consistent with past practice of the Company which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel appointed by the respective Selling Shareholders which shall be borne by the respective Selling Shareholders, the Company and the Selling Shareholders have agreed that all costs, charges, fees and expenses associated with and incurred directly with respect to the Offer shall be shared among the Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares (i) issued and Allotted by the Company through the Fresh Issue and (ii) sold by each of the Selling Shareholders through the Offer for Sale, in accordance with Applicable Law. However, all payments shall be made by the Company on behalf of the Selling Shareholders and consequently each of the Selling Shareholders severally and not jointly shall reimburse the Company for its respective proportion of Offer related expenses upon the success of the Offer

The break-up of the estimated Offer expenses is set forth below:

Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission, as applicable)	[●]	[●]	[●]

Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
Commission/processing fee for SCSBs, Banker(s) to the Offer for Bids made by RIIs and Eligible Employees. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to other advisors to the Offer (including statutory auditors$, industry expert^ and independent chartered accountant@)	[●]	[●]	[●]
Others:			
(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses;	[●]	[●]	[●]
(ii) Printing and distribution of stationery;	[●]	[●]	[●]
(iii) Fees payable to legal counsel;	[●]	[●]	[●]
(iv) Advertising and marketing expenses; and	[●]	[●]	[●]
(v) Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* *Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*
$ *For preparation of the restated financial statements and issue of certifications in connection with and for the purpose of the Offer*
^ *For preparation of the industry report commissioned and paid for by our Company, exclusively for the purpose of the Offer*
@ *For assisting our Company in various regulatory and secretarial compliances in connection with and for the purpose of the Offer.*

(1) *Selling commission payable to SCSBs, on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE. No additional uploading/ processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Application Form directly procured by them.*

(2) *Processing fees payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking, would be as follows:*

*Portion for Retail Individual Investors**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] per valid application (plus applicable taxes)*

* *Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors, Eligible Employees and Qualified Institutional Buyers with bids above ₹0.50 million would be ₹[●] plus applicable taxes, per valid Bid cum Application Form.*

(3) *Uploading charges/processing fees for applications made by UPI Bidders would be as follows:*

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹[●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹[●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable law*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement

(4) *Brokerage, selling commission on the portion for UPI Bidders (using UPI Mechanism), Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(5) *Pursuant to SEBI circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹0.50 million and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RII Bids and NII Bids up to ₹0.50 million will not be eligible for brokerage. Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes). The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.*

In the event the amount spent towards Offer expenses is less than the estimated Offer expenses set out above (the "**Unutilised Expense Amount**"), the Unutilised Expense Amount shall be distributed amongst our Company and each of the Selling Shareholders proportionately in the ratio of the Equity Shares issued by our Company and sold by each Selling Shareholder in the Offer. Our Company shall utilise its portion of the Unutilised Expense Amount towards general corporate purposes, subject to the amount utilised for general corporate purposes not exceeding 25% of the Gross Proceeds of the Offer and amount utilised for general corporate purposes and towards unidentified acquisitions in aggregate, exceeding 35% of the Gross Proceeds

Means of Finance

The Objects are proposed to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, in addition to the Net Proceeds, under Regulation 7(1)(c) of the SEBI ICDR Regulations and Paragraph 9(c)(1) of Part A of Schedule VI of the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Interim use of funds

Pending utilization for the purposes described above, we undertake to temporarily invest such portion funds from the Net Proceeds in deposits only with one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets. Further, we confirm that pending utilisation of the Net Proceeds for the purposes described above, no lien of any nature shall be created on the Net Proceeds which are temporarily invested in the scheduled commercial banks.

Bridge loan

We have not availed bridge financing from any bank or financial institution as on the date of this Draft Red Herring Prospectus. However, prior to filing of the Red Herring Prospectus, we may consider availing bridge financing, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds. Any such bridge financing availed will be repaid out of the Net Proceeds, and such utilisation (towards repayment of the bridge financing) shall be construed to be done for the specific object itself.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or financial institutions.

Monitoring of utilisation of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the Fresh Issue size exceeds ₹1,000 million.

Our Audit Committee and the Monitoring Agency will monitor the utilization of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Gross Proceeds, including interim use under a separate head in its balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable periods, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such currently unutilized Gross Proceeds.

Pursuant to Regulation 32(3) and Part C of Schedule II of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects as stated above. This information will also be published in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located) simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules thereunder, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules and such Postal Ballot Notice shall be placed on website of our Company. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English national daily newspaper, one in a Hindi national daily newspaper and one in Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is situated) in accordance with the Companies Act, 2013 and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, in accordance with Section 13(8) and other applicable provisions of the Companies Act, our Articles of Association, and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received by the Selling Shareholders pursuant to the Offer for Sale portion, none of our Promoters, members of the Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management Personnel will receive any portion of the Gross Proceeds (except any portion of Offer Expenses paid, if any) and there are no existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters or members of the Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management Personnel. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects as set out above.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value of the Equity Shares. Investors should also refer to *"Our Business"*, *"Risk Factors"*, *"Financial Statements"* and *"Management's Discussion and Analysis of Financial Position and Results of Operations"* on pages 246, 39, 360 and 423, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are set forth below:

1. ***Market Leader in Loyalty Solutions***

- We provide a comprehensive set of AI-led SaaS products for customer relationship management ("CRM") and the loyalty management industry. With a decade-long track record, we have established ourselves as a leader in the global loyalty solutions industry in terms of email marketing tools, marketing automation platforms, loyalty solutions, rewards programs, account-based marketing tool ("ABM"), customer support tools, CDP, CRM and analytics / business intelligence tools in Fiscal 2025. (Source: Zinnov Report)

- Number of consumers hosted by our platform was over 1.26 billion, over 1.13 billion and over 0.97 billion, as of March 31, 2025, 2024 and 2023, respectively. We processed 0.18 million, 0.15 million and 0.10 million loyalty transactions per hour in Fiscals 2025, 2024 and 2023, respectively. Our platform is proven to handle large volume of transactions and dynamic swings in usage thus garnering a significant client base including Fortune 500 companies. (Source: Zinnov Report)

2. ***Comprehensive Solutions and Scalable Cloud-Based Infrastructure with Seamless Integration for Diverse Segments***

- Our solutions are adaptable and scalable and are used across a diverse range of industries including retail, financial services, travel, hospitality, healthcare and consumer packaged goods. Additionally, our platform supports multiple use cases, enabling enterprises to integrate loyalty programs with their broader customer engagement strategies which include:

    - Multiple loyalty program and coalitions for Retailers and Conglomerates - Our multiple loyalty program functionality allows retailers and conglomerates to manage multiple loyalty schemes under one platform, and aids to customize rewards and integrate with existing systems.

    - Customer and fleet loyalty for Energy retail - Our ability to run customer loyalty and fleet loyalty simultaneously on the same platform has helped us acquire notable customers in the energy retail industry including global energy and petrochemical companies.

- Channel loyalty for consumer packaged goods ("CPG") - In the CPG vertical, channel loyalty refers to strategies aimed at building relationships with retailers, distributors, and other intermediaries who help bring products to market. We offer a comprehensive loyalty management solution for CPG brands that focuses on engaging and incentivizing these channels.

3. ***Diverse Long-Term Customer Relationships with High Net Revenue Retention***

- A key aspect of our success is our ability to forge long-term relationships with leading global brands. A significant portion of our NRR is driven by growth of our existing customers, demonstrating our ability to grow alongside our customers. Our NRR has been robust and was 139.01% in Fiscal 2023, 112.68% in Fiscal 2024 and 121.25% in Fiscal 2025.

- In our experience, we create exit barriers for customers by offering solutions that provide significant value and convenience. These features make it difficult for customers to switch to competitors, as they would lose out on these incentives leading to churn rate of 5.98%, 5.61% and 9.68% for the Fiscals 2025, 2024 and 2023 respectively.

4. ***Proven Playbook to Integrate and Turnaround Acquired Businesses***

- We have developed a playbook for managing acquisitions and their integration. This framework includes strategies for offering discounts and managing customer transitions. Our ability to identify acquisition targets, integrate them seamlessly, and drive sustained growth underscores our strength in market consolidation and strategic expansion.

- Our disciplined approach to acquisitions has allowed us to scale businesses and integrate them into our broader ecosystem. For instance, following our acquisition of Persuade Group in September 2021, we established a significant presence in the United States. Persuade Group has multiple Fortune 100 and Fortune 500 companies as its customers. Our revenues from operations have grown from ₹ 2,553.72 million in Fiscal 2023 to ₹ 5,982.59 million in Fiscal 2025 at a CAGR of 53.06%, while Persuade Group has delivered revenues of ₹ 2,121.95 million, ₹ 1,078.08 million and ₹ 505.52 million for Fiscals 2025, 2024 and 2023, respectively.

5. ***Experienced Leadership Team backed by Marquee Investor Base***

- We are led by a team of experienced professionals with extensive experience in the loyalty and CRM space. Our senior management team's expertise and industry relationships have helped us grow our operations. Our Founder and Managing Director and Chief Executive Officer, Aneesh Reddy Boddu has extensive entrepreneurial experience and has been recognized by Fortune India Magazine as one of the "40 under 40"- India's Brightest Young Business Minds. Our While-time Director, Chief Financial Officer and Chief Operating Officer, Anant Choubey, also an alumnus of Indian Institute of Technology, Kharagpur, has been with us since our inception and has been pivotal in building our expansion from India into South East Asia and our growth through our various acquisitions.

- We have also benefited from investments by Peak XV Partners and AVP I Fund in our Promoter, AVP Fund II, Ronal Holdings LLC and Trudy Holdings in our Company and Filter Capital India Fund I in both our Company and our Promoter.

For details, see "*Our Business – Our Strengths*" on page 259.

Quantitative factors

The information presented below relating to us is based on the Restated Consolidated Financial Information. For further information, see "*Financial Statements*" and "*Other Financial Information*" beginning on pages 360 and 422 respectively.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and diluted earnings/ (loss) per share ("EPS") from continuing operations

Year Ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2025	1.93	1.91	3
March 31, 2024	(12.15)	(12.15)	2
March 31, 2023	(17.63)	(17.63)	1
Weighted Average	**(6.02)**	**(6.03)**	-

Notes:

a) The figures above are derived from the Restated Consolidated Financial Information.

b) Weighted average is aggregate of year wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year divided by total of weights. Weights have been determined by our Company.

c) Basic and diluted earnings / (loss) per share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) read with the requirements of SEBI ICDR Regulations.

The ratios have been computed as below:

- *Basic earnings per share (₹) = Basic EPS is calculated by dividing Profit/ (loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations by the weighted average number of equity shares outstanding* *during the year. The weighted average number of equity shares outstanding during Fiscal 2025, 2024 and 2023 was 73.25 million, 56.27 million and 50.24 million respectively.*

- *Diluted earnings per share (₹) = Diluted EPS is calculated by dividing Profit/ (loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations by the weighted average number of equity shares adjusted for the effect of dilution. Weighted average number of equity shares adjusted for the effect of dilution are computed as a sum of weighted average number of equity shares outstanding during the year and effect of dilution due to employee share options. Weighted average number of equity shares adjusted for the effect of dilution during Fiscal 2025, 2024 and 2023 was 74.03 million, 57.09 million and 50.46 million respectively.*

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
Based on basic EPS for Fiscal 2025	[●]	[●]
Based on diluted EPS for Fiscal 2025	[●]	[●]

**To be computed after finalization of price band.*

III. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest, lowest and industry average P/E ratio are set forth below:

Particulars	Industry P/E (based on diluted EPS)
Highest	42.94
Lowest	32.98
Average	37.96

Note: The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below, except Braze Inc. since it recorded a negative EPS during Fiscal 2025 and except HubSpot, Inc., whereby the P/E ratio is not meaningful.

IV. Return on Net Worth ("RoNW")

Financial Year ended	RoNW (%)	Weight
March 31, 2025	2.85%	3
March 31, 2024	(21.52)%	2
March 31, 2023	(135.93)%	1
Weighted Average	**(28.41)%**	**-**

Notes:

- *Return on Net Worth (%) = Restated profit/ (loss) for the year for the Fiscal divided by the average of Net Worth of the relevant Fiscal and previous Fiscal.*
- *Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve For further details, see Note 13 and 14 of the "Restated Consolidated Financial Information" on page 391 and 392 and "Other Financial Information - Reconciliation of Non-GAAP Measures" on page 422.*
- *The weighted average RoNW is a product of RoNW for Fiscals 2025, 2024 and 2023 and respective assigned weight, dividing the resultant by total aggregate weight. Weights have been determined by our Company.*

V. Net asset value ("NAV") per Equity Share (face value ₹2 each)

Particulars	Amount (in ₹)
As on March 31, 2025	65.03
After the Offer	
(i) Floor Price*	[●]
(ii) Cap Price*	[●]
(iii) Offer Price^	[●]

** To be computed after finalization of price band*

^ To be determined on conclusion of the Book Building Process.

Notes:

1. *The above calculations are based on the Restated Consolidated Financial Information for the Fiscal 2025.*

- *Net asset value per equity share = Net worth as of the end of the Fiscal divided by the weighted average outstanding equity shares considered for diluted EPS as at the end of the Fiscal. For further details, see Note 30 of the "Restated Consolidated Financial Information" on page 399.*
- *Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve For further details, see Note 13 and 14 of the "Restated Consolidated Financial Information" on page 391 and 392 and "Other Financial Information - Reconciliation of Non-GAAP Measures" on page 422.*
- *Weighted average number of equity shares adjusted for the effect of dilution during Fiscal 2025, 2024 and 2023 was 74.03 million, 57.09 million and 50.46 million respectively.*

VI. Comparison of accounting ratios with Listed Industry Peers

(₹ in million, except per share data)

Name of the Company	Face value (₹)	Revenue from operations	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E	RoNW (%)	Net Worth	NAV per Equity Share (₹)	Market Capitalization / Revenue from Operations
Our Company (Fiscal 2025)	2.00	5,982.59	1.93^	1.91^	[●]##	2.85%	4,814.24	65.03	[●]##
Listed Peers (Fiscal 2025)									
Salesforce, Inc.	0.08	3,182,153.41	540.79	534.07	42.94	10.26%	5,300,114.36	5,441.60	7.02
Adobe Inc.	0.01	1,796,333.97	1,038.29	1,032.44	32.98	36.74%	1,191,831.60	2,650.28	8.53
HubSpot, Inc.	0.09	219,869.21	7.53	7.53	NM**	0.29%	163,393.55	3,153.16	12.13
Braze, Inc.	0.01	49,830.36	(85.65)	(85.65)	NA	(22.58%)	41,142.62	402.61	5.98
Average of Listed Peers (Fiscal 2025)					***37.96***				***8.41***

***NM refers to not meaningful given that the P/E ratio is 6,832.44 times.*

##To be determined on conclusion of the Book Building Process.

^ EPS (Basic) and EPS (Diluted) refers to EPS from continuing operations.

Notes:

(1) *Financial information of our Company has been derived from the Restated Consolidated Financial Information as of or for the financial year ended March 31, 2025*

(2) *All the financial information for listed industry peers is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial information of such listed industry peer available on the website of the peers and regulatory filings, as of and for the year ended January 31, 2025 for Salesforce, Inc and Braze Inc., as of and for the year ended November 29, 2024 for Adobe, Inc. as of and for the year ended December 31, 2024 for Hubspot, Inc.*

(3) *P/E Ratio for the listed industry peer has been computed based on the closing market price of equity shares, on NYSE & NASDAQ, as on May 23, 2025 and converted at a USD-INR exchange rate of 85.68, divided by the diluted EPS of the latest respective Fiscal years.*

(4) *Return on Net Worth (%) = Profit/ (loss) for the year for the Fiscal divided by the average of Net Worth of the relevant Fiscal and previous Fiscal.*

(5) *Net asset value per equity share = Net worth as of the end of the Fiscal year divided by the weighted average outstanding equity shares considered for diluted EPS as the end of the Fiscal. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve For further details, see Note 13 and 14 of the "Restated Consolidated Financial Information" on page 391 and 392 and "Other Financial Information - Reconciliation of Non-GAAP Measures" on page 422.*

(6) *Reported figures for peers in USD have been converted to INR at the average USD-INR rate for the Fiscal year (Source: ww.fbil.org.in) for Revenue from operations, EPS and total profit/(loss) for the year and at the end of the Fiscal year USD-INR rate (Source: ww.fbil.org.in) for Face Value, Net Worth and Net asset value per equity share as given below*
   a. *For Salesforce, Inc. and Braze, Inc. Revenue from operations, EPS and Restated total profit/(loss) for the year are converted at an USD-INR rate of 83.97*
   b. *For Salesforce, Inc. and Braze, Inc. Face Value, Net Worth and Net asset value per equity share are converted at an USD-INR rate of 86.64*
   c. *For Adobe, Inc. Revenue from operations, EPS and Restated total profit/(loss) for the year are converted at an USD-INR rate of 83.53 and Face Value, Net Worth and Net asset value per equity share are converted at an USD-INR rate of 84.50*
   d. *For Hubspot, Inc. Revenue from operations, EPS and Restated total profit/(loss) for the year are converted at an USD-INR rate of 83.68 and Face Value, Net Worth and Net asset value per equity share are converted at an USD-INR rate of 86.64*

(7) *Market Capitalization for Peers is the closing Market Capitalization as on May 23, 2025 sourced from the website of the stock exchanges and converted at a USD-INR exchange rate of 85.68*

Rationale for selection of Listed Industry Peers

Our AI-led SaaS products offer loyalty management, customer relationship management ("CRM") and customer engagement solutions and enable customers globally to run loyalty programs for their consumers and channel partners. We are recognized as the global market leader in loyalty and engagement management in terms of number of product offerings in Fiscal 2025. For the purpose of selection of our peer set, as there are no Indian publicly listed SaaS firms which offer pure-play CRM and customer engagement solutions, we have focussed on ***globally listed CRM and customer engagement SaaS firms***. All these companies derive majority of their revenue from subscription-based services, consistent with standard SaaS operating models and provide CRM and customer engagement offerings.

<table>
<tr><th>Company</th><th>Category</th><th>Revenue Model</th><th>Revenue emanating regions</th></tr>
<tr><td>Salesforce, Inc.</td><td rowspan="4">Listed Global CRM and Customer Engagement SaaS firms</td><td rowspan="4">Majority of the revenue is derived from subscription-based Software-as-a-Service model</td><td rowspan="3">A large share of revenue from North America and balance largely from EMEA and APAC</td></tr>
<tr><td>Adobe Inc.</td></tr>
<tr><td>Hubspot, Inc.</td></tr>
<tr><td>Braze, Inc.</td><td>Majority revenue generated from USA</td></tr>
</table>

While we have identified the industry peers listed above that are CRM and customer engagement focussed SaaS firms, there are no pure-play loyalty management SaaS providers listed in India or Globally. The loyalty management market is characterized by a strong presence of players focusing on post-purchase/retention and horizontal offerings, with specialized emphasis on marketing automation platforms, loyalty solutions, personalized marketing, and customer data analysis. However, such players, Indian and global, in the loyalty management space are unlisted.

VII. Key Performance Indicators ("KPIs")

The table below sets forth the details of the KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational metrics, to make an assessment of our performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated June 18, 2025 and certified by our Managing Director and Chief Executive Officer, Aneesh Reddy Boddu, on behalf of the management of our Company by way of certificate dated June 18, 2025. The management and the members of our Audit Committee have confirmed that the KPIs disclosed below have been identified and disclosed in accordance with the SEBI ICDR Regulations and the Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document ("**KPI Standards**"). Further, the management and members of our Audit Committee have verified the details of all KPIs pertaining to our Company and confirmed that the KPIs pertaining to our Company, as disclosed below, have been identified from the Selected Data as defined in KPI Standards (which also includes the data disclosed to investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus) and have been subject to verification and certification by Saini Pati Shah & Co LLP, Chartered Accountants (with FRN 137904W/W100622), pursuant to their certificate dated June 18, 2025, which has been included as part of the "*Material Contracts and Documents for Inspections*" beginning on page 567.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "O*ur Business*", and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 246 and 423 of this DRHP, respectively. We have described and defined the KPIs, as applicable, in the section "*Definitions and Abbreviations – Key performance Indicators*" on page 19.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by our Board of our Company), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; and (ii) complete utilisation of the proceeds of the Offer as disclosed in "*Objects of the Offer*" on page 149, or for such other duration as may be required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below.

Particulars	Units	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations[1]	₹ in million	5,982.59	5,251.00	2,553.72
Net Revenue[2]	₹ in million	5,982.59	4,833.97	2,070.86
Net Revenue Growth [3]	%	23.76%	133.43%	51.69%
Revenue from Operations Service Wise				
Subscription Revenue or Retainership Revenue[4]	₹ in million	4,811.05	4,021.29	1,564.31
Subscription Revenue (% of Revenue from operations)[5]	%	80.42%	76.58%	61.26%
Other Services Revenue[6]	₹ in million	1,171.54	812.68	506.55
Geographical Revenue Split[7]		-	-	-
North America	%	56.59%	48.09%	20.00%
EMEA	%	19.24%	18.75%	12.96%
Asia-Pacific	%	24.17%	33.16%	67.03%
Subscription Gross Margin [8]	%	66.36%	65.99%	69.66%
Earnings before interest expense, taxes, depreciation and amortisation before exceptional items ("**EBITDA**")[9]	₹ in million	785.73	(14.91)	(583.39)
EBITDA Margin[10]	%	13.13%	(0.28)%	(22.84)%
EBITDA Margin (Net Revenue) (%)[11]	%	13.13%	(0.31%)	(28.17)%
Adjusted EBITDA[12]	₹ in million	745.01	(11.29)	(62.13)
Adjusted EBITDA Margin [13]	%	12.45%	(0.22)%	(2.43)%
Adjusted EBITDA Margin (Net Revenue) [14]	%	12.45%	(0.23)%	(3.00)%
Profit/(loss) before tax ("**PBT**")[15]	₹ in million	106.82	(752.60)	(948.89)
Profit/(loss) before tax Margin ("**PBT Margin**") (%)[16]	%	1.79%	(14.33)%	(37.16)%
Profit/(loss) before tax Margin (Net Revenue) (%)[17]	%	1.79%	(15.57)%	(45.82)%
Profit/(Loss) after Tax from Continuing Operations ("PAT")[18]	₹ in million	141.54	(683.51)	(885.56)
Profit/(Loss) after Tax from Continuing Operations Margin ("**PAT Margin**") (%)[19]	%	2.37%	(13.02)%	(34.68)%
Profit/(Loss) after Tax from Continuing Operations Margin as % of Net Revenue[20]	%	2.37%	(14.14)%	(42.76)%
Annual Recurring Revenue ("**ARR**")[21]	₹ in million	6,083.33	5,460.07	2,536.03
New Annual Contract Value (" **New ACV**")[22]	₹ in million	1,223.59	1,145.92	578.65
Net Revenue Retention ("**NRR**") Rate %[23]	%	121.25%	112.68%	139.01%
Customer Acquisition Cost ("**CAC**") as a % of Net Revenue[24]	%	17.85%	18.05%	25.88%
Payback Period[25]	Number of Months	16	14	16
Fortune 500 Clients[26]	Number	16	16	9
Consumers on platform [27]	Billions	1.26	1.13	0.97
Transactions processed [28]	Billions	7.50	6.31	5.03

Notes:

1. *Revenue from operations as disclosed in our Restated Financial Statements*
2. *Net Revenue is computed as Revenue from operations less cost of campaign services*
3. *Net Revenue growth (%) is calculated as a percentage of Net Revenue of the relevant year minus Net Revenue of the preceding year, divided by Net Revenue of the preceding period/ year.*
4. *Subscription Revenue or Retainership Revenue refers to Revenue from retainership and other services as disclosed in our Restated Financial Statements*
5. *Subscription Revenue (%) refers to Revenue from retainership and other services as disclosed in our Restated Financial Statements as a % of Revenue from operations*
6. *Other Services Revenue refers to the sum of Installation revenue (as disclosed in our Restated Financial Statements and Revenue (net of campaign service cost). Revenue (net of campaign service cost) is computed as Revenue from campaign services minus cost of campaign services*

7. *Geographical Revenue Split refers to the break-up of Revenue from operations by the region where the revenue was generated, as follows: North America; EMEA and Asia-Pacific*
8. *Subscription Gross Margin (%) is computed as Subscription Revenue or Revenue from retainership and other services minus server hosting costs, software subscription costs and customer support costs divided by Subscription Revenue or Revenue from retainership and other services*
9. *Refers to Earnings before interest expense, taxes, depreciation and amortisation and Exceptional Items as disclosed in our Restated Financial Statements*
10. *EBITDA Margin (%) is computed as percentage of EBITDA divided by Revenue from operations for the respective Fiscal*
11. *EBITDA Margin (Net Revenue) (%) is computed as percentage of EBITDA divided by Net Revenue for the respective Fiscal. Net Revenue is computed as Revenue from operations less cost of campaign services*
12. *Adjusted EBITDA is computed as EBITDA as per restated financial statements plus employee stock option expenses minus Interest income on bank deposits, Interest income on security deposits, Interest income on corporate deposits, Gain on fair valuation of investments carried at fair value through profit and loss, Profit on sale of investments, Profit on sale of property, plant and equipment (net), Interest income on income tax refund*
13. *Adjusted EBITDA Margin (%) is computed as percentage of Adjusted EBITDA divided by Revenue from operations for the respective Fiscal*
14. *Adjusted EBITDA Margin (Net Revenue) (%) is computed as percentage of Adjusted EBITDA divided by Net Revenue for the respective Fiscal*
15. *Profit/(loss) before tax ("PBT") refers to Restated profit/ (loss) before tax as disclosed in our Restated Financial Statements*
16. *PBT Margin (%) is computed as percentage of Restated profit/ (loss) before tax divided by Revenue from operations*
17. *Profit/(loss) before tax Margin (Net Revenue) (%) is computed as percentage of Restated profit/ (loss) before tax divided by Net Revenue*
18. *Profit/(Loss) after Tax from Continuing Operations ("PAT") refers to Restated profit/ (loss) for the year from continuing operations as disclosed in our Restated Financial Statements*
19. *PAT Margin (%) is computed as percentage of Restated profit/ (loss) for the year from continuing operations divided by Revenue from operations*
20. *Computed as percentage of Restated profit/ (loss) for the year from continuing operations divided by Net Revenue*
21. *Aggregate of all Net Revenue from the most recent quarter multiplied by 4. Annual Recurring Revenues refers to the active recurring contract values over a 12-month period*
22. *New Annual Contract Value ("New ACV") is computed as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a 12-month period from licensed subscriptions and committed professional services.*
23. *Net Revenue Retention ("NRR") Rate % is computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by Net Revenue generated from the same customers in the previous Fiscal multiplied by 100.*
24. *Customer Acquisition Cost ("CAC") as a % of Net Revenue is computed as Sales and marketing spends plus / (minus) the loss / (profit) earned on installation income divided by Net Revenue multiplied by 100 for the respective Fiscal*
25. *Payback Period is computed as CAC divided by the result of New ACV multiplied by Subscription Gross Margin earned during the respective Fiscal / year. The overall result then is represented in number of months by multiplying the same by twelve.*
26. *Number of Brands/Clients in the Forbes' Fortune 500 list as at the end of the Fiscal*
27. *Consumers on platform refers to number of consumers on our platform with a unique mobile number or personal identifiable information on the platform as at the end of the Fiscal*
28. *Transactions processed refers to the number of invoices or transactions that have been processed by our platform for our customers in a Fiscal*

Explanation for the KPI metrics

KPIs	Description of the KPI
Revenue from operations	Revenue from operations is used to track the revenue of our business operations and in turn helps assess our overall financial performance and size of our operations
Net Revenue	Net Revenue, which is Revenue from operations net of cost of campaign services, enables us to track our revenue for historical years basis our current business model. During Fiscal 2025, we made certain changes to our business model for campaign services pursuant to which we now act as agents and not as principals for campaign services transactions. Accordingly, the income generated from campaign services during Fiscal 2025 has been recorded on a net basis (net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from campaign services was recognized on a gross basis as principal for campaign services transactions and the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss. To ensure comparability of the Revenue from operations, we track Net Revenue as a metric to assess our performance
Net Revenue Growth (%)	Net Revenue growth (%) represents year-on-year growth of our business operations in terms of Net Revenue generated by us
Subscription Revenue or Retainership Revenue	Subscription Revenue or Revenue from retainership and other services is a key component of our Revenue from operations, representing our core business income generated from customers through software subscription
Subscription Revenue (% of Revenue from operations)	Subscription Revenue (% of Revenue from operations) represents our core business income generated. This metric is driven by customer retention rather than one-time sales, thereby providing greater consistency & predictability to our overall revenue profile

KPIs	Description of the KPI
Other Services Revenue	Other Services Revenue represents the breakdown of revenue from installation and campaigns and represents our non-core business operations
Geographical Revenue Split	Geographical Revenue Split helps us track the regional growth of our customers and the revenue generated from them
Subscription Gross Margin (%)	Subscription Gross Margin (%) represents the profitability generated from our core business operations, which is recurring in nature. It enables us to track and monitor the health of our business model and ability to profitably further scale our business.
Earnings before interest expense, taxes, depreciation and amortisation before exceptional items ("EBITDA")	EBITDA is used by us to evaluate our operational profitability, as it focuses on our core business performance before considering the impact of capital and financing decisions.
EBITDA Margin (%)	EBITDA margin (%) is an indicator of the operational profitability and financial performance of our business
EBITDA Margin (Net Revenue) (%)	EBITDA Margin (Net Revenue) (%) is an indicator of the operational profitability and financial performance of our business after netting off cost of campaign services to align with our current business model
Adjusted EBITDA	Adjusted EBITDA is used to evaluate our operational profitability, as it focuses on our core business performance after eliminating the impact non core income (such as income generated from our investments) and non core expenses (such as ESOP related expenses)
Adjusted EBITDA Margin (%)	Adjusted EBITDA margin (%) is used to evaluate our operational profitability, as it focuses on our core business performance before the impact of capital & financing decisions and certain non-cash charges such as ESOPs
Adjusted EBITDA Margin (Net Revenue) (%)	Adjusted EBITDA (Net Revenue) % is used to evaluate our operational profitability as a % of Net Revenue, as it focuses on the core business performance before the impact of capital & financing decisions and certain non-cash charges such as ESOPs after netting off cost of campaign services to align with our current business model
Profit/(loss) before tax ("PBT")	Profit/ (loss) before tax (PBT) provides information regarding the overall profitability or loss of our business before tax outflows which is a non-operational metric and hence gives a clearer view of profits generated by our business
Profit/(loss) before tax Margin ("PBT Margin") (%)	PBT Margin (%) is used to evaluate our overall profitability before tax outflows as a % of Revenue from Operations, as it focuses on the overall business
Profit/(loss) before tax Margin (Net Revenue) (%)	Profit/(loss) before tax Margin (Net Revenue) (%) is used to evaluate our overall profitability margin before tax outflows after netting off cost of campaign services to align with our current business model
Profit/(Loss) after Tax from Continuing Operations ("PAT")	Provides information regarding the overall profitability or loss of our business
Profit/(Loss) after Tax from Continuing Operations Margin ("PAT Margin") (%)	PAT Margin (%) is used to evaluate our overall profitability as a % of Revenue from Operations, as it focuses on the overall business
Profit/(Loss) after Tax from Continuing Operations Margin as % of Net Revenue	Used to evaluate our overall profitability margin after netting off cost of campaign services to align with our current business model
Annual Recurring Revenue ("ARR")	ARR represents the revenue generated by our company which is recurring in nature from sources such as subscriptions, including committed revenue from signed contracts and directly reflects the health of the core business
New Annual Contract Value ("New ACV")	New Annual Contract Value ("New ACV") reflects our ability to scale recurring revenues year on year by measuring new recurring revenues contracted with newly acquired customers or from expansion of existing customers.
Net Revenue Retention ("NRR") Rate %	NRR Rate reflects our ability to retain existing customers and expand revenue from such customers over a Fiscal
Customer Acquisition Cost ("CAC") as a % of Net Revenue	CAC as a % of Net Revenue represents the total cost to acquire a new contract and take the same live and helps us track the quantum of our spend to acquire a new customer and expand an existing customer as a % of Net Revenue to align with our current business model
Payback Period	Payback period gives us the time required to recover the acquisition cost of a customer & reflects our company's efficiency in new customer acquisition and existing customer expansion.
Fortune 500 Clients	Fortune 500 Clients refers to the number of Brands/Clients in the Forbes' Fortune 500 list and helps us track the increase in our large customer base
Consumers on platform	Number of consumers on our platform reflects the size of our business as well as our ability to accommodate a given scale of usage
Transactions processed	Number of transactions processed reflects the size of our business as well as our ability to accommodate a given scale of usage

Comparison of the KPI metrics of our Company and our listed peers

Set forth below is a comparison of our KPIs with our peer group companies listed outside India:

		Our Company			Salesforce, Inc.			Adobe Inc.		
		As at and for Fiscal			As at and for Fiscal			As at and for Fiscal		
KPI	**Units**	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**	**2024**	**2023**	**2022**
Revenue from Operations	₹ in million	5,982.59	5,251.00	2,553.72	3,182,153.41	2,882,879.46	2,485,514.64	1,796,333.97	1,602,148.90	1,374,389.86
Net Revenue	₹ in million	5,982.59	4,833.97	2,070.86	NA	NA	NA	NA	NA	NA
Net Revenue Growth (%)	%	23.76%	133.43%	51.69%	NA	NA	NA	NA	NA	NA
Revenue from Operations Service Wise										
Subscription Revenue or Retainership Revenue	₹ in million	4,811.05	4,021.29	1,564.31	2,996,069.44	2,691,001.77	2,300,718.31	1,714,139.47	1,509,283.86	1,279,308.25
Subscription Revenue (% of Revenue from operations)	%	80.42%	76.58%	61.26%	94.15%	93.34%	92.57%	95.42%	94.20%	93.08%
Other Services Revenue	₹ in million	1,171.54	812.68	506.55	186,083.97	191,877.68	184,796.33	82,194.50	92,865.04	95,081.61
Geographical Revenue Split		-	-	-	-	-	-	-	-	-
North America	%	56.59%	48.09%	20.00%	66.35%	66.81%	67.78%	60.00%	60.00%	58.00%
EMEA	%	19.24%	18.75%	12.96%	23.46%	23.32%	22.84%	26.00%	25.00%	26.00%
Asia-Pacific	%	24.17%	33.16%	67.03%	10.19%	9.87%	9.38%	14.00%	15.00%	16.00%
Subscription Gross Margin (%)	%	66.36%	65.99%	69.66%	82.63%	81.02%	79.94%	91.23%	90.04%	89.96%
Earnings Before interest expense, taxes, depreciation and amortisation before exceptional items ("**EBITDA**")	₹ in million	785.73	(14.91)	(583.39)	NA	NA	NA	NA	NA	NA
EBITDA Margin (%)	%	13.13%	(0.28%)	(22.84%)	NA	NA	NA	NA	NA	NA
EBITDA Margin (Net Revenue) (%)	%	13.13%	(0.31%)	(28.17%)	NA	NA	NA	NA	NA	NA
Adjusted EBITDA	₹ in million	745.01	(11.29)	(62.13)	NA	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	%	12.45%	(0.22%)	(2.43%)	NA	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (Net Revenue) (%)	%	12.45%	(0.23%)	(3.00%)	NA	NA	NA	NA	NA	NA
Profit/(loss) before tax ("**PBT**")	₹ in million	106.82	(752.60)	(948.89)	624,590.50	409,394.19	52,323.29	578,953.30	561,235.01	469,006.83

Profit/(loss) before tax Margin ("**PBT Margin**") (%)	%	1.79%	(14.33%)	(37.16%)	20.00%	14.00%	2.00%	32.23%	35.03%	34.12%
Profit/(loss) before tax Margin (Net Revenue) (%)	%	1.79%	(15.57%)	(45.82%)	NA	NA	NA	NA	NA	NA
Profit/(Loss) after Tax from Continuing Operations ("**PAT**")	₹ in million	141.54	(683.51)	(885.56)	520,380.12	342,071.59	16,489.76	464,432.31	448,063.49	371,271.06
Profit/(Loss) after Tax from Continuing Operations Margin ("**PAT Margin**") (%)	%	2.37%	(13.02%)	(34.68%)	16.00%	12.00%	1.00%	25.85%	27.97%	27.01%
Profit/(Loss) after Tax from Continuing Operations Margin as % of Net Revenue	%	2.37%	(14.14%)	(42.76%)	NA	NA	NA	NA	NA	NA
Annual Recurring Revenue ("**ARR**")	₹ in million	6,083.33	5,460.07	2,536.03	NA	NA	NA	2,895,184.15	2,505,292.35	2,181,100.35
New Annual Contract Value ("**New ACV**")	₹ in million	1,223.59	1,145.92	578.65	NA	NA	NA	NA	NA	NA
Net Revenue Retention ("**NRR**") Rate %	%	121.25%	112.68%	139.01%	NA	NA	NA	NA	NA	NA
Customer Acquisition Cost ("**CAC**") as a % of Net Revenue	%	17.85%	18.05%	25.88%	NA	NA	NA	NA	NA	NA
Payback Period	Months	16	14	16	NA	NA	NA	NA	NA	NA
Fortune 500 Clients	Number	16	16	9	NA	NA	NA	NA	NA	NA
Consumers on platform (Bn)	Billions	1.26	1.13	0.97	NA	NA	NA	NA	NA	NA
Transactions processed (Bn)	Billions	7.50	6.31	5.03	NA	NA	NA	NA	NA	NA

Notes:

- *NA refers to Not Applicable where the information is unavailable i.e. not reported by the industry peers in either their annual reports, audited financial results and investor presentations as available on their website or through regulatory filings*
- *All the financial information for listed industry peers is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges and regulatory filings or investor presentations, as of and for the year ended January 31, 2025 for Salesforce, Inc., as of and for the year ended November 29, 2024 for Adobe, Inc.*
- *Reported figures for global peers in USD are converted to INR at the average USD-INR exchange rate (Source: ww.fbil.org.in) for the respective Fiscal years for Income Statement & related line items and as at the Fiscal year end USD-INR exchange rate (Source: ww.fbil.org.in) for Balance Sheet & related line items*
  - *For Salesforce, Inc., Income Statement & related line items are converted at an USD-INR rate of 83.97, 82.71and 79.28 for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively*
  - *For Salesforce, Inc., Balance Sheet & related line items are converted at an USD-INR rate of 86.64, 83.08 and 81.74 for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively*
    For Adobe, Inc. Income Statement & related line items are converted at an USD-INR rate of 83.53, 82.55 & 78.06 and Balance Sheet & related line items are converted at an USD-INR rate of 84.50, 83.36 & 81.18 for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively
- *Subscription Revenue for Salesforce is the Revenue from Subscription and support as reported in their respective 10-K annual filings*
- *Other Services Revenue for all Peers is the Revenue from Professional services and other as reported in their respective 10-K annual filings*
- *To the extent that the listed industry peers have published the above ratios or financial information in their regulatory filings/ website, the same have been disclosed on an as is basis and may not be comparable to the method of computation used by us.*
- *For all Peers, North America is Americas and EMEA is Europe as reported in their respective 10-K annual filings, hence the figures may not be directly comparable to the method of computation used by us.*

		Our Company			Braze, Inc.			Hubspot, Inc.		
		As at and for Fiscal			As at and for Fiscal			As at and for Fiscal		
KPI	**Units**	**2025**	**2024**	**2023**	**FY25**	**FY24**	**FY23**	**FY24**	**FY23**	**FY22**
Revenue from Operations	₹ in million	5,982.59	5,251.00	2,553.72	49,830.36	39,020.64	28,175.30	219,869.21	179,260.80	136,146.06
Net Revenue	₹ in million	5,982.59	4,833.97	2,070.86	NA	NA	NA	NA	NA	NA
Net Revenue Growth (%)	%	23.76%	133.43%	51.69%	NA	NA	NA	NA	NA	NA
Revenue from Operations Service Wise										
Subscription Revenue or Retainership Revenue	₹ in million	4,811.05	4,021.29	1,564.31	47,889.33	37,306.89	26,823.69	215,016.10	175,399.17	132,966.04
Subscription Revenue (% of Revenue from operations)	%	80.42%	76.58%	61.26%	96.10%	95.61%	95.20%	97.79%	97.85%	97.66%
Other Services Revenue	₹ in million	1,171.54	812.68	506.55	1,941.03	1,713.75	1,351.61	4,853.11	3,861.63	3,180.02
Geographical Revenue Split		-	-	-	-	-	-	-	-	-
North America	%	56.59%	48.09%	20.00%	NA	NA	NA	60.47%	60.90%	62.04%
EMEA	%	19.24%	18.75%	12.96%	NA	NA	NA	31.42%	30.79%	29.32%
Asia-Pacific	%	24.17%	33.16%	67.03%	NA	NA	NA	8.11%	8.31%	8.64%
Subscription Gross Margin (%)	%	66.36%	65.99%	69.66%	NA	NA	NA	86.89%	86.64%	84.77%
Earnings Before interest expense, taxes, depreciation and amortisation before exceptional items ("EBITDA")	₹ in million	785.73	(14.91)	(583.39)	NA	NA	NA	NA	NA	NA
EBITDA Margin (%)	%	13.13%	(0.28%)	(22.84%)	NA	NA	NA	NA	NA	NA
EBITDA Margin (Net Revenue) (%)	%	13.13%	(0.31%)	(28.17%)	NA	NA	NA	NA	NA	NA
Adjusted EBITDA	₹ in million	745.01	(11.29)	(62.13)	NA	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	%	12.45%	(0.22%)	(2.43%)	NA	NA	NA	NA	NA	NA
Adjusted EBITDA Margin (Net Revenue) (%)	%	12.45%	(0.23%)	(3.00%)	NA	NA	NA	NA	NA	NA
Profit/(loss) before tax ("PBT")	₹ in million	106.82	(752.60)	(948.89)	(8,447.84)	(10,625.39)	(11,111.80)	2,399.65	(12,437.48)	(8,234.35)
Profit/(loss) before tax Margin ("PBT Margin") (%)	%	1.79%	(14.33%)	(37.16%)	(16.95%)	(27.23%)	(39.44%)	1.09%	(6.94%)	(6.05%)
Profit/(loss) before tax Margin (Net Revenue) (%)	%	1.79%	(15.57%)	(45.82%)	NA	NA	NA	NA	NA	NA

Profit/(Loss) after Tax from Continuing Operations ("PAT")	₹ in million	141.54	(683.51)	(885.56)	(8,711.60)	(10,682.79)	(11,016.91)	387.26	(13,588.51)	(8,443.17)
Profit/(Loss) after Tax from Continuing Operations Margin ("PAT Margin") (%)	%	2.37%	(13.02%)	(34.68%)	(17.48%)	(27.38%)	(39.10%)	0.18%	(7.58%)	(6.20%)
Profit/(Loss) after Tax from Continuing Operations Margin as % of Net Revenue	%	2.37%	(14.14%)	(42.76%)	NA	NA	NA	NA	NA	NA
Annual Recurring Revenue ("ARR")	₹ in million	6,083.33	5,460.07	2,536.03	NA	NA	NA	NA	NA	NA
New Annual Contract Value ("New ACV")	₹ in million	1,223.59	1,145.92	578.65	NA	NA	NA	NA	NA	NA
Net Revenue Retention ("NRR") Rate %	%	121.25%	112.68%	139.01%	NA	NA	NA	102.20%	103.90%	110.30%
Customer Acquisition Cost ("CAC") as a % of Net Revenue	%	17.85%	18.05%	25.88%	NA	NA	NA	NA	NA	NA
Payback Period	Months	16	14	16	NA	NA	NA	NA	NA	NA
Fortune 500 Clients	Number	16	16	9	NA	NA	NA	NA	NA	NA
Consumers on platform (Bn)	Billions	1.26	1.13	0.97	NA	NA	NA	NA	NA	NA
Transactions processed (Bn)	Billions	7.50	6.31	5.03	NA	NA	NA	NA	NA	NA

Notes:

- *NA refers to Not Applicable where the information is unavailable i.e. not reported by the industry peers in either their annual reports, audited financial results and investor presentations as available on their website or through regulatory filings*
- *All the financial information for listed industry peers is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial information of such listed industry peer available on the website of the peer and regulatory filings or investor presentations, as of and for the year ended January 31, 2025 for Braze Inc., as of and for the year ended December 31, 2024 for Hubspot, Inc.*
- *Other Services Revenue for all Peers is the Revenue from Professional services and other*
- *Reported figures for global peers in USD are converted to INR at the average USD-INR exchange rate (Source: ww.fbil.org.in) for the respective Fiscal years for Income Statement & related line items and as at the Fiscal year end USD-INR exchange rate (Source: ww.fbil.org.in) for Balance Sheet & related line items*
  - *For Braze, Inc. Income Statement & related line items are converted at an USD-INR rate of 83.97, 82.71and 79.28 for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively*
  - *For Braze, Inc. Balance Sheet & related line items are converted at an USD-INR rate of 86.64, 83.08 and 81.74 for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively*

    For Hubspot, Inc. Income Statement & related line items are converted at an USD-INR rate of 83.68, 82.60 & 78.65 and Balance Sheet & related line items are converted at an USD-INR rate of 85.62, 83.12 & 82.79 for Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively
- *To the extent that the listed industry peers have published the above ratios or financial information in their regulatory filings/ website, the same have been disclosed on an as is basis and may not be comparable to the method of computation used by us.*
- *For all Peers, North America is Americas and EMEA is Europe as reported in their respective 10-K annual filings, hence the figures may not be directly comparable to the method of computation used by us.*

VIII. Comparison of KPIs based on additions or dispositions to our business

The impact of all material acquisitions or dispositions of assets or business undertaken by our Company during the periods covered by the KPIs, *i.e.*, Fiscals 2025, 2024 and 2023, is reflected in the KPIs disclosed in this Draft Red Herring Prospectus. For further details of acquisitions undertaken by us in the last three Fiscals, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 310.

IX. Weighted average cost of acquisition, floor price and cap price

1. Price per share of our Company based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

The details of the Equity Shares issued during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up equity share capital of our Company excluding issuance of Equity Shares pursuant to employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue (calculated based on the pre-Offer fully diluted capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days is as follows:

<table>
<tr><th>Date of Allotment</th><th>Name of Allottees</th><th>No. of Equity Shares of face value ₹2 each allotted*</th><th>% of the fully diluted paid-up share capital (prior to Such allotment)*</th><th>Price per Equity Share allotted of ₹ 2 each*</th><th>Total consideration (₹ in million)*</th></tr>
<tr><td>December 29, 2023</td><td>Ronal Holdings LLC (formerly known as Avataar II Co-Investment II Limited)</td><td>5,524,350**</td><td>7.46%</td><td>308.00</td><td>1,701.50**</td></tr>
<tr><td>March 28, 2024</td><td><table>
<tr><th>Name of allottee</th><th>Equity shares allotted</th></tr>
<tr><td>xxii. CTIPL</td><td>9,989,099</td></tr>
<tr><td>xxiii. Piyush Kumar</td><td>84,799</td></tr>
<tr><td>xxiv. Subhro Chakraborty</td><td>10,723</td></tr>
<tr><td>xxv. Anant Choubey</td><td>196,917</td></tr>
<tr><td>xxvi. Lalit Sharma</td><td>79,558</td></tr>
<tr><td>xxvii. Rohan Anil Mahadar</td><td>76,749</td></tr>
<tr><td>xxviii. Siddhant Jain</td><td>3,727</td></tr>
<tr><td>xxix. Bollam Sridhar</td><td>165,374</td></tr>
<tr><td>xxx. Sunil M Jain</td><td>2,251</td></tr>
<tr><td>xxxi. Sameer Garde</td><td>32,319</td></tr>
<tr><td>xxxii. Aneesh Reddy Boddu</td><td>388,833</td></tr>
<tr><td>xxxiii. Saurabh Kumar</td><td>5,160</td></tr>
</table></td><td>11,052,223</td><td>14.93%</td><td>44.00</td><td>486.30</td></tr>
</table>

Date of Allotment	Name of Allotees		No. of Equity Shares of face value ₹2 each allotted*	% of the fully diluted paid-up share capital (prior to Such allotment)*	Price per Equity Share allotted of ₹ 2 each*	Total consideration (₹ in million)*
	xxxiv. Prakhar Verma	3,337				
	xxxv. Vishnu Viswanath	2,487				
	xxxvi. Premlata Jindal	838				
	xxxvii. Debabrat Barik	1,877				
	xxxviii. Gaurav Singh	870				
	xxxix. Namrata Kothari	3,480				
	xl. Manoj Kumar Mondal	1,275				
	xli. Partha Pratim Chakrabarti	1,275				
	xlii. Shabbir Merchant	1,275				
WACA for primary issuance						131.98*

***Pertains to Equity Shares issued pursuant to conversion of CCDs to Equity Shares. Consideration was received by the Company at the time of allotment of the CCDs.*
**As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*

2. Price per share of our Company based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group, Selling Shareholders or other Shareholders having the right to nominate director(s), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

The details of secondary transactions in Equity Shares during the 18 months preceding the date of this Draft Red Herring Prospectus, where such transaction (in a single transaction or multiple transactions combined together over a span of rolling 30 days) is equal to or more than 5% of the paid-up equity share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), involving the Promoters, members of the Promoter Group, Selling Shareholders or other Shareholders having the right to nominate director(s), is as follows:

Date of Transaction	Name of Transferee	Name of Transferor	Nature of Transaction	Number of Equity Shares Transferred of face value ₹2 each	% of the fully diluted paid-up share capital (prior to Such allotment)*	Transfer Price per equity share of face value ₹2 each*	Total consideration (₹ in million)*
December 21, 2023	Anant Choubey	CTIPL	Transfer	3,676,013	4.96%	15.00	55.14
January 4, 2024	AVP Fund II	CTIPL	Transfer	2,881,041	3.89%	309.36	891.27

Date of Transaction	Name of Transferee	Name of Transferor	Nature of Transaction	Number of Equity Shares Transferred of face value ₹2 each	% of the fully diluted paid-up share capital (prior to Such allotment)*	Transfer Price per equity share of face value ₹2 each*	Total consideration (₹ in million)*
January 8, 2024	(*formerly known as Avataar Venture Partners II*)			1,158,000	1.56%		358.23
WACA for secondary transactions							169.10*

As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

3. Price per share based on last five primary or secondary transactions

Since there are transactions to report under (a) and (b) above, therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters / members of our Promoter Group/ Selling Shareholders or other Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Red Herring Prospectus, irrespective of the size of transactions is not applicable.

WACA, Floor Price and Cap Price

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on the primary issuances and secondary transactions as disclosed below:

Types of Transactions	WACA (₹ per Equity Share)*	No. of times at Floor Price (i.e., ₹ [●])^	No. of times at Cap Price (i.e., ₹ [●])^
A. WACA for Primary Issuances	131.98	[●]	[●]
B. WACA for Secondary Transactions	169.10	[●]	[●]
Since there are transactions to report to under (A) and (B) above, the information for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is not applicable			

As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.

^*Details have been left intentionally blank as the Floor Price and Cap Price are not available as on date of this Draft Red Herring Prospectus. To be updated upon finalization of the Price Band.*

Detailed explanation for Offer Price/Cap Price being [●] times the price of weighted average cost of acquisition of primary issuance price and [●] times the price of weighted average cost of acquisition of secondary transactions (as set out above) along with our Company's key financial and operational metrics and financial ratios Fiscals 2025, 2024 and 2023.

[●]*

To be included on finalisation of Price Band

Explanation for Offer Price/Cap Price being [●] times the price of weighted average cost of acquisition of primary issuance price and [●] times the price of weighted average cost of acquisition of secondary transactions (as set out above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*

*To be included on finalisation of Price Band

The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 39, 246, 423 and 360, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CAPILLARY TECHNOLOGIES INDIA LIMITED

The Board of Directors
Capillary Technologies India Limited
#360 bearing PID No 101, 360
15th Cross Rd, Sector 4, HSR Layout
Bengaluru, Karnataka 560 102

Subject: Statement of special tax benefits ('the Statement') available to Capillary Technologies India Limited ('the Company') and its shareholders prepared in accordance with the requirement under Schedule VI –Part A -Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('the SEBI ICDR Regulations')

This report is issued in accordance with the engagement letter dated 30 April 2025.

We hereby report that the enclosed **Annexures II and III** prepared by the Company, initialled by us for identification purpose, states the special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together **'the Tax Laws'),** presently in force in India as on the June 18, 2025 which are defined in **Annexure I**. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexures II and III** cover the special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed **Annexures II and III** and its contents is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held on June 18, 2025. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. Further, the benefits discussed in the Annexures II and III are not exhaustive. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the 'Proposed Offer') particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.
We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the 'Guidance Note') issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

(i) the Company and its shareholders will continue to obtain these special tax benefits in future; or
(ii) the conditions prescribed for availing the special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus prepared in connection with the Proposed Offer to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges . It is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Amit K
Partner

Membership No.: 060995
UDIN: 25060995BNUJFL5657

Hyderabad
18 June 2025

Annexure I

List of Direct and Indirect Tax Laws ("Tax Laws")

S.no	**Details of tax laws**
	Direct Tax Laws:
1.	The Income-tax Act,1961 and Income-tax Rules, 1962 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2025.
	Indirect Tax Laws:
2.	The Central Goods and Services Tax Act, 2017, read with the corresponding rules and regulations
3.	The Integrated Goods and Services Tax Act, 2017, read with the corresponding rules and regulations
4.	The Applicable State Goods and Services Tax Act, 2017, read with the corresponding rules and regulations
5.	The Customs Act, 1962, read with the corresponding rules and regulations
6.	The Customs Tariff Act, 1975, read with the corresponding rules and regulations
7.	The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023, read with the corresponding rules and regulations

For and on behalf of Board of Directors of

Capillary Technologies India Limited

Anant Choubey
(Whole-time Director, Chief Operating Officer & Chief Financial Officer)

Bengaluru
18 June 2025

Annexure - II

Statement of Special Direct Tax Benefits available to Capillary Technologies India Limited ('the Company') and its Shareholders under the applicable direct tax Laws in India – The Income-tax Act, 1961 (herein after referred to as 'the Act')

Outlined below are the special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 as amended by the Finance Act, 2025 (herein after referred to as 'the Act') read along with applicable Income-tax Rules 1962, Circulars and Notifications issued thereunder (hereafter referred to as 'Income Tax Regulations') (collectively referred as 'Income Tax Laws'). These special direct tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Income Tax Laws.

A. Special Direct Tax Benefits available to the Company

1. <u>Lower corporate tax rate on income of domestic companies – Section 115BAA of the Act</u>

With effect from Assessment Year ('AY') 2020-21 relevant to Financial Year ('FY') 2019-20 a company has an option to pay income tax on its total income at a concessional tax rate of 25.168% (22% plus surcharge of 10% and cess of 4%) under section ('u/s') 115BAA of the Act, provided the company complies with the conditions prescribed u/s 115BAA of the Act.

The following deductions/ exemptions shall not be allowed to a company opting for low tax rates u/s 115BAA of the Act:

(i) Deduction under the provisions of Section 10AA of the Act (deduction for units in Special Economic Zone);

(ii) Deduction under clause (iia) of sub-section (1) of Section 32 of the Act (Additional depreciation);

(iii) Deduction u/s 32AD, Section 33AB or Section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);

(iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of Section 35 of the Act (Expenditure on scientific research);

(v) Deduction u/s 35AD or Section 35CCC of the Act (Deduction for specified business, agricultural extension project);

(vi) Deduction u/s 35CCD of the Act (Expenditure on skill development);

(vii) Deduction under any provisions of Chapter VI-A of the Act other than the provisions of Section 80JJAA or Section 80M of the Act;

(viii) Deduction u/s 80LA of the Act other than deduction applicable to a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of Section 80LA of the Act;

(ix) Set off of any loss carried forward or depreciation from any earlier AY(s), if such loss or depreciation is attributable to any of the aforementioned deductions/incentives; and

(x) Set off of any loss or allowance for unabsorbed depreciation deemed so u/s 72A of the Act, if such loss or depreciation is attributable to any of the aforementioned deductions/incentives.

Further, the provisions of Section 115JB of the Act i.e., Minimum Alternate Tax ('MAT') shall not apply where the company has opted to pay tax u/s 115BAA of the Act, as specified under sub-section (5A) of Section 115JB of the Act. Additionally, the company will not be entitled to utilise any brought forward MAT credit, if any.

A company can exercise the option to apply for the concessional tax rate by filing Form 10IC on or before the due date of filing return of income u/s 139(1) of the Act and such option once exercised shall apply to all subsequent AYs.

Note: The Company has already opted for the beneficial tax regime u/s 115BAA of the Act, and therefore, is eligible for a concessional effective tax rate of 25.168% (including applicable surcharge and health and education cess) subject to fulfilment of above conditions.

2. <u>Deduction in respect of employment of new employees – Section 80JJAA of the Act</u>

As per Section 80JJAA of the Act, where a company is subject to tax audit u/s 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for three consecutive AYs including the AY relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of Section 80JJAA of the Act. Further, to claim the aforesaid deduction, it is required to furnish the report of an accountant electronically in Form 10DA containing the particulars of deduction prior to the due date of filing tax audit report as per section 44AB of the Act.

At the time of filing Income tax return for AY 2024-25, the Company has not claimed the afore mentioned deduction and would be eligible to claim the said deduction, subject to fulfilment of prescribed conditions.

3. <u>Deduction in respect of inter-corporate dividends – Section 80M of the Act</u>

As per the provisions of Section 80M of the Act, inserted with effect from AY 2021-22 if a domestic company is in receipt of dividend from any other domestic company or a foreign company or a business trust, in a previous year, it will be allowed to claim a deduction of amount equal to the said dividend, not exceeding the amount of dividend distributed by the company on or before one month prior to due date of furnishing the income-tax return u/s 139(1) of the Act for the relevant previous year.
At the time of filing Income tax return for AY 2024-25, the Company did not claim the afore-mentioned deduction and would be eligible to claim the said deduction subject to fulfilment of prescribed conditions.

4. <u>Set-off & Carry Forward of Business Losses</u>

As per the provisions of Section 72 of the Act, where the company has carried forward business loss, the same can be carried forward up to next eight AYs from the AY in which the loss was incurred and can be adjusted only against Income from business or profession.

At the time of filing Income tax return for AY 2024-25, the Company has carried forward business losses to subsequent AYs.

5. <u>Set-off & carry forward of Unabsorbed Depreciation</u>

As per the provisions of subsection 2 of Section 32 of the Act, where a company does not have sufficient profits or gains for any previous year to cover the depreciation allowance for that year, the remaining unabsorbed depreciation shall be carried forward to subsequent AYs for an indefinite period until it is fully absorbed and set off against future profits of subsequent AYs.

At the time of filing Income tax return for AY 2024-25, the Company has carried forward unabsorbed depreciation to subsequent AYs.

6. <u>Deduction of expenditure in connection with extension of an undertaking - Section 35D of the Act</u>

As per Section 35D of the Act, an assessee is eligible to claim deduction of expenditure, being underwriting commission, brokerage, and charges for drafting, typing, printing and advertisement of the prospectus incurred in connection with expansion of its undertaking upon fulfilment of conditions as laid down under the Act. The deduction u/s 35D of the Act is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the extension of the undertaking is completed. The Company shall be eligible to claim the deduction subject to fulfilment of prescribed conditions.

7. <u>Amortization of expenditure in case of amalgamation or demerger – Section 35DD of the Act</u>

As per Section 35DD of the Act, an assessee, being an Indian company, is eligible to claim deduction of any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking. The deduction u/s 35DD of the Act is allowable for an amount equal to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the amalgamation or demerger takes place. The Company shall be eligible to claim the deduction subject to fulfilment of prescribed conditions.

8. <u>Tax on Capital Gains</u>

Post the amendments made by Finance (No. 2) Act, 2024, capital gains arising from transfer of long-term capital assets u/s 112 of the Act is to be taxed at the rate of 12.5% plus applicable surcharge and cess, with effect from 23 July 2024 (without the benefit of indexation). Further, it is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,25,000 in a FY.

Short-term capital gains ('STCG') arising from the transfer of listed equity shares, unit of an equity-oriented fund or unit of a business trust covered u/s 111A of the Act is to be taxed at the rate of 20% (plus applicable surcharge and cess). However, STCG arising from short-term capital assets (other than listed equity shares, unit of an equity-oriented fund or unit of a business trust covered u/s 111A of the Act), is to be taxed at the normal tax rate of the company.

B. Special direct tax benefits available to the Shareholders of the Company

1. <u>Taxation of dividend</u>

Dividend income earned by the Shareholders would be taxable in their hands at the applicable tax rates, surcharge, and cess. Further, in the case of a domestic corporate shareholder, deduction u/s 80M of the Act would be available as discussed above. The shareholders would be entitled to take credit for the Tax Deducted at Source on Dividend, by the Company.

2. <u>Taxation of Capital Gains</u>

- <u>Tax on Long-term Capital Gain ('LTCG') – Section 112A</u>
  As per provisions of Section 112A of the Act, LTCGs arising from the transfer of listed equity shares on or after 23 July 2024 on which securities transaction tax ('STT') is paid at the time of acquisition and transfer and fulfilment of other prescribed conditions shall be taxed at 12.5% (plus applicable surcharge and cess). It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,25,000 in a FY It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,25,000 in a FY.

- <u>Tax on STCG – Section 111A</u>
  As per the provisions of Section 111A of the Act, STCGs arising from the transfer of equity shares of a Company through a recognized stock exchange on or after 23 July 2024 which is subject to STT at the time of sale, shall be taxed at the rate of 20% (plus applicable surcharge and cess). This is subject to fulfilment of prescribed conditions under the Act.

3. <u>Taxation in case of non-resident shareholders</u>

- The first proviso to Section 48 of the Act entitles a non-resident to factor in the effects of exchange rate fluctuation while computing the capital gains in the manner prescribed in the Income tax regulations, where the shares are purchased in foreign currency. Further, as per the third proviso to Section 48 of the Act, the benefits of first proviso [i.e., effects of exchange rate fluctuation to Non-resident] are not available in case of long-term capital gain on sale of listed equity shares or a unit of an equity-oriented fund or a unit of a business trust u/s 112A of the Act.

- As per section 115A of the Act, dividend income earned by a non-resident (not being a company) or by a foreign company, shall be taxed at the rate of 20% (plus applicable surcharge and cess) subject to fulfilment of prescribed conditions under the Act.

- Section 90(2) of the Act entitles a non-resident shareholder to be governed by the beneficial provisions under the Double Taxation Avoidance Agreement ('DTAA'), if any, executed between India and the country of resident of the shareholder, in accordance with and subject to fulfilment of conditions as laid out in the section.

- Any income by way of capital gains/ dividends accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident. However, where such non-residents have obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders may be able to avail credit of any taxes paid in India, in their respective country of residence, subject to local laws of that country in which such shareholder is resident

4. <u>Capping on surcharge rate:</u>

The surcharge payable by shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, ranges from 0% to 37% based on their respective total income and subject to provisions of 115BAA of the Act. However, the surcharge on dividend and capital gains would be restricted to 15%, irrespective of the quantum of dividend and capital gains.

Notes:

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are proposed to be listed on a recognized stock exchange in India.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    (i) the Company or its shareholders will continue to obtain these benefits in future;

    (ii) the conditions prescribed for availing the benefits have been/ would be met with; and

    (iii) the revenue authorities/courts will concur with the view expressed herein.

5. In respect of non-resident shareholders, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

6. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

7. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

For and on behalf of Board of Directors of

Capillary Technologies India Limited

Anant Choubey
(Whole-time Director, Chief Operating Officer & Chief Financial Officer)

Bengaluru
18 June 2025

Annexure III

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX REGULATIONS IN INDIA

Benefits available to **Capillary Technologies India Limited ('the Company')**, and the shareholders of the Company under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended read with the rules and regulations under each of these statutes, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023 (collectively referred to as "Indirect Tax Regulations") read with Rules, Circulars and Notifications are as under:

A. Special tax benefits available to the Company under the Indirect Tax Regulations in India

1. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the Goods and Services Tax ("GST") regime, "Zero rated supply" means any of the following supplies of goods or services or both, namely: —

(a) export of goods or services or both; or

(b) supply of goods or services or both for authorised operations to a Special Economic Zone developer or a Special Economic Zone unit.

Hence, the Company has availed the benefit of supply of services under Bond/ Letter of Undertaking (LUT) without payment of GST.

B. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to shareholders for investing in the shares of the Company.

(This space is left blank intentionally)

Notes:

1. The special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits depends upon fulfilling such conditions, which based on the business imperatives the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and are intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

3. The Statement has been prepared on the basis that the shares of the Company are to be listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   (i) The Company or its shareholders will continue to obtain these benefits in future
   (ii) The conditions prescribed for availing the benefits have been/ would be met with; and
   (iii) The revenue authorities / courts will concur with the view expressed herein.

5. The above views are based on the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

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

Anant Choubey
(Whole-time Director, Chief Operating Officer & Chief Financial Officer)

Bengaluru
18 June 2025

CERTIFICATE ON SPECIAL TAX BENEFITS AVAILABLE TO CAPILLARY PTE. LTD

Date: June 14, 2025

To,

The Board of Directors
Capillary Technologies India Limited
#360 bearing PID No 101, 360
15th Cross Rd, Sector 4, HSR Layout
Bengaluru -560102
Karnataka, India

The Directors
Capillary Pte. Ltd.
68 Circular Road
#02-01
Singapore 049 422

Re: Statement of possible special tax benefits available Capillary Technologies India Limited ("Issuer") and its shareholders and its material subsidiaries prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, ECRA PTE LTD, Tax Agents (**the Firm**"), hereby confirm the enclosed statement ("**Statement**") in the **Annexure** prepared and issued by us, which provides the possible special tax benefits under The Income Tax Act 1947 & Goods And Services Tax Act 1993, available to the Capillary Pte. Ltd. (the "**Company**"). one of the material subsidiaries of the Issuer identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, face in the future, the Company may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('**SEBI ICDR Regulations'**). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. Any benefits under the The Income Tax Act, 1947 & Goods And Services Tax Act, 1993 other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

4. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and do not cover any general tax benefits available to them. We hereby report that the enclosed **Annexure** prepared by the Company, initialled by us for identification purpose, states the special tax benefits available to the Company, under direct and indirect taxes (together **"the Tax Laws"),** presently in force in Singapore as on the June 14, 2025, which are defined in **Annexure**. There are no special tax benefits being availed by the Company.

5. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this

written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

6. We do not express any opinion or provide any assurance whether:
    - The Company will continue to obtain these benefits in future;
    - The conditions prescribed for availing the benefits have been/would be met;
    - The revenue authorities/courts will concur with the views expressed herein.

7. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabssilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company. There are no local applicable guidelines for issue of this certificate in Singapore.

8. This Statement is addressed to Board of Directors of the Issuer and BRLMs and issued at specific request of the Issuer, Company for submission to the BRLMs to assist them in conducting their due-diligence and documenting their investigations of the affairs of the company in connection with the proposed Offer. This report may be delivered to SEBI, the stock exchanges, to the Registrar of Companies, Karnataka at Bengaluru or to any other regulatory and statutory authorities by the BRLMs only when called upon by SEBI or the stock exchanges in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLMs due diligence obligations pertaining to subject matter of this report or for any defence that the BRLMs may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLMs in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We confirm that this certificate can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable.

9. We confirm that we will immediately communicate any changes in writing in the above information to the BRLMs based on written intimation received from the management until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from the management, BRLMs and the legal counsels, each to the Issuer and the BRLMs, can assume that there is no change to the above information.

10. We also consent to the inclusion of this letter as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date. We further consent to include our reports/ certificates/ letters, in full or in parts, in the Offer Documents or such other documents to be issued by the Issuer in relation to the Offer.

11. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

For ECRA PTE LTD
Corporate Services Provider
UEN.: 201303635D

Encl: As above

ANNEXURE

Under the Singapore Income Tax Act 1947 (hereinafter referred to as 'the Act'), which is applicable to the company for financial period from July 21, 2021 (date of incorporation) till its first financial year end. The Company has confirmed that there are no other direct tax laws applicable to it aside to the Act.

1. This Annexure sets out possible the tax benefits available to the Company and its shareholder under the Act, in Singapore. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant Income Tax Laws.

2. **Tax benefits available to the Company under the Act**

   The company will be subject to tax in Singapore at the prevailing corporate income tax rate of 17%, on income accruing in or derived from Singapore or received in Singapore from outside Singapore.

3. **Other existing and possible tax benefits are as follows:**

Tax Exemptions & Partial Exemptions

Benefit	Details
Partial Tax Exemption (PTE)	For all companies: • 75% exemption on first $10,000 • 50% exemption on next $190,000

Tax Deductions / Allowances

Scheme / Section	What It Covers
Capital Allowances (s19, s19A, s24)	On plant, machinery, computers, office equipment, motor vehicles (restricted), and renovation costs (under Section 14Q)
Renovation & Refurbishment Deduction (s14Q)	Up to $300,000 over 3 years for business premises (non-capital works only)
R&D Deductions (s14D, s14DA)	100% + enhanced deduction of 150% (total: 250%) for qualifying R&D expenditure incurred in Singapore
Training Expenses	Full deduction for approved employee training relevant to trade
Approved Donations	250% tax deduction for donations to IPCs or approved recipients
Double Tax Deduction for Internationalisation (DTDi)	200% deduction on qualifying overseas business development expenses (automatic for first $150,000, approval required beyond that)
IP-related Deductions (s14A, s14B, s19B)	Deductions/allowances for: • IP acquisition • Licensing payments • R&D for patents and designs • Writing-down allowance for IP rights (WDA)

Loss & Relief Mechanisms

Mechanism	Details
Current Year Group Relief	Transfer unutilized capital allowances, trade losses, and donations to qualifying group companies
Loss Carry-Forward	Unlimited (subject to shareholding continuity test in s37(12))
Loss Carry-Back Relief	1-year carry-back, capped at $100,000 (s37E)
Unutilized Capital Allowances Carry-Forward	Allowed subject to shareholding and same business tests (s23, s37)

Withholding Tax Exemptions / Reliefs

Applicable To	Benefit
Interest / Royalty / Service Fees to Non-Residents	Tax treaties may reduce or eliminate WHT under Singapore's DTAs

Section 12(6) or 12(7)	Certain income types like interest or services deemed sourced in Singapore and subject to WHT—may be exempt via tax treaties or IRAS rulings

Tax Incentive Schemes

Incentive	Benefit
Pioneer Certificate Incentive (PC)	Corporate tax rate reduced to 0–5% on qualifying activities for up to 15 years
Development and Expansion Incentive (DEI)	Reduced tax rate (typically 5% or 10%) on incremental income from expansion activities
Global Trader Programme (GTP)	Concessionary tax rate of 5% or 10% on qualifying trading income
Finance & Treasury Centre Incentive (FTC)	8% tax rate on qualifying treasury income; deduction for certain interest and FX hedging
IP Development Incentive (IDI)	Reduced tax rate (5%/10%) for income from qualifying IP developed in Singapore
Investment Allowance (IA)	Allowance of up to 100% on approved fixed capital expenditure, over and above normal capital allowances
Maritime Sector Incentive (MSI)	Various sub-schemes with tax exemption or 10% concessionary tax rate for shipping-related businesses
Aircraft Leasing Scheme	Writing-down allowances and GST relief on qualifying aircraft leases and purchases

Foreign-Sourced Income Exemptions (Section 13)

Provision	Exemption Criteria
Section 13(8) / 13(9)	Foreign-sourced dividends, branch profits, or service income exempt if: • Headline tax rate in source country ≥15% • Income is taxed in the foreign jurisdiction • Subject to “subject-to-tax” and economic substance tests
Section 13CA	Exemption for income earned by prescribed investment funds
Section 13R / 13X	Exemption for qualifying Singapore Resident Fund and Enhanced Tier Fund respectively (subject to regulatory approval)
Section 13Y	Exemption for qualifying family office vehicles under the Financial Sector Incentive – Fund Management scheme (FSI-FM)

Tax Rebates and Credits

Rebate	Details
Corporate Income Tax Rebate	YA 2024: 50% rebate capped at $2,000 (announced in Budget 2024)
Unilateral Tax Credit	If no DTA with source country, Singapore allows credit for foreign tax paid on same income (s50A)
Double Tax Relief under DTA	Offset against Singapore tax liability for foreign tax paid on same income

Other Corporate Tax Benefits

Tax Provision / Scheme	Description
Section 14(1)(a) - Pre-commencement Expenses	Pre-commencement expenses incurred up to 1 year before the first day of business are deductible (e.g. incorporation costs, staff training, etc.)
Section 14N - Market Expansion Expenses	Expenses for advertising, publicity, and market research for entering new markets may be deductible
Section 14(1)(e) - Bad Debts Written Off	Bad debts are deductible if proven irrecoverable and previously included in income
Section 14(1)(h) - Interest Expense Deduction	Interest on loans for business purposes is deductible, subject to the "direct purpose" test
Section 14(1)(d) - Repair & Maintenance Deduction	Non-capital repairs to premises, plant, or equipment are deductible

Section 14(1)(g) - Insurance Premiums	Business-related insurance premiums are deductible (e.g. public liability, property)
Section 14(1)(f) - Professional Fees	Fees for tax agents, legal, and audit services are deductible if incurred wholly and exclusively for trade
Section 14L - Investment Advisory Fees	Deductible when incurred for portfolio management, particularly by investment holding companies
Section 14U - Innovation & Capability Voucher (ICV) support	Grants received under ICV are treated as income, but related business expenditure is deductible
Section 14ZB - Voluntary Cash Contributions to Employees' Medisave Accounts	Deductible if done voluntarily and capped at prevailing statutory limits
Writing Down Allowances for Acquisition of Plant and Machinery via Hire Purchase (s19/19A)	Allowed over asset's life even if not legally owned until full payment
Section 14Q - Leasehold Improvement Deduction	Deductible over 3 years for qualifying renovation works (e.g., wiring, painting) in rented business premises
Double Deduction for Approved Relocation Expenses	Moving business operations to Singapore may qualify for 200% deduction on approved costs
Enhanced Tax Deduction for IP Litigation Costs	Litigation costs for protecting registered IP may be deductible if incurred in the course of trade
Productivity and Innovation Credit (PIC) Balancing Allowance	For companies still carrying unutilized allowances from before PIC expired (2018)
Avoidance of Double Taxation – Tax Sparing Credit	Some treaties provide a tax credit for taxes "deemed paid" in the foreign jurisdiction (e.g., pioneer exemptions in developing countries)
Section 14WA – Safe Harbor for Related Party Loans	Certain interest income/expense is treated as arm's length if safe-harbor interest rates are followed
GST Scheme – Major Exporter Scheme (MES)	Not an income tax benefit per se, but reduces cash flow impact by deferring GST on imports for exporters
GST – Import GST Suspension Scheme (IGSS)	Allows approved logistics providers to import goods without paying GST upfront
Writing Down Allowance on IP Under Section 19B(5)	Special treatment for acquisition of trademarks, copyrights, and patents—deductible over 5 or 10 years
Deduction for Safe Harbor FX Hedging Contracts	FX gains/losses on hedging contracts may be deductible as part of trading activities

4. **Notes**

4.1. This Annexure sets out the possible direct tax benefits available to the Company under the Act read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in Singapore. This statement also does not discuss any tax consequences, in the country outside Singapore.

4.2. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO CAPILLARY PTE. LTD

INDIRECT TAXATION

1. This annexure sets out the tax benefits available to the Company and its shareholder under the Goods and Services Tax Act 1993 as amended from time to time, presently in force in Singapore.

2. Tax benefits availed by the Company under the above-mentioned laws

The company is registered for GST from 1 November 2021. The Company's Registration Number is 202125294W. The Company will have to pay GST at the current prevailing rate of 9% for standard rated supplies or at the rate of 0% for zero rated supplies. This rate is subjected to change upon passing of the legislation by the Government. The Company is not availing any tax benefits / exemptions / abatements under the Goods and Services Tax Act 1993.

3. Notes

1. This Annexure sets out the only the indirect tax benefits available to the Company under the *Goods and Services Tax Act 1993* presently in force in Singapore. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws

2. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CAPILLARY TECHNOLOGIES EUROPE LIMITED

Date: June 13, 2025
To,
The Board of Directors
Capillary Technologies India Limited
#360 bearing PID No 101, 360
15th Cross Rd, Sector 4, HSR Layout
Bengaluru -560102
Karnataka, India

The Directors,
Capillary Technologies Europe Limited
Office 3.09.B- Fora 1 Lyric Square,
Lyric Square Hammersmith, London,
England, W6 0NB

STATEMENT OF SPECIAL TAX BENEFITS

Re: The statement of possible special tax benefits available to CAPILLARY TECHNOLOGIES EUROPE LIMITED ("Company") in the UK.

Dear Sir/Madam,

1. We hereby confirm that the enclosed **Annexure 1** prepared by PBG ASSOCIATES LTD, describes the special tax benefits available to Capillary Technologies Europe Limited as per the UK tax laws as stated in the enclosed Annexure -1.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('**SEBI ICDR Regulations'**). Certain of these benefits are dependent on Capillary Technologies Europe Limited satisfying conditions prescribed under the relevant provisions of the Code and/or other applicable law. Therefore, the ability of Capillary Technologies Europe Limited to derive the special tax benefits may be dependent upon the satisfaction of such conditions which, based upon various factors, that Capillary Technologies Europe Limited may or may not ultimately satisfy.

3. The benefits discussed in the enclosed Annexure(1) are not exhaustive and cover the possible special tax benefits available to Capillary Technologies Europe Limited and do not cover any general tax benefits available to Capillary Technologies Europe Limited. We are informed that the Annexure(1) is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "**Proposed IPO**") by Capillary Technologies India Limited ("**Issuer**"), of which each of Capillary Technologies Europe Limited are material subsidiaries. Neither are we suggesting nor advising the investor to make any investment based on this statement of special tax benefits.

4. We do not express any opinion or provide any assurance as to whether:

   (i) Capillary Technologies Europe Limited will continue to obtain these benefits in the future;
   (ii) the conditions prescribed for availing the benefits have been / would be satisfied; and
   (iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed **Annexure 1** are based on information, explanations and representations obtained from Capillary Technologies Europe Limited and on the basis of their understanding of each of its business activities and operations. We have relied up on the information and documents obtained being true, correct and complete and have not audited or tested them. Our view, under no circumstances is to be considered as an audit opinion under any regulation or law.

6. This Statement is issued to the Board of Directors of the Issuer and BRLMs solely in connection with the proposed initial public offering of equity shares of Capillary Technologies India Limited (the "**Offer**") and for disclosure in materials used in connection with the Offer (together, the "**Offer Documents**") to be filed by Capillary Technologies India Limited in respect of the Offer with the Securities and Exchange Board of India, the Registrar of Companies, Karnataka at Bangalore, the Stock Exchanges pursuant to the provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as required by law in connection with the Offer and in accordance with applicable law, and is not to be used, referred to or distributed for any other purpose.

7. This report may be delivered to SEBI, the stock exchanges, to the Registrar of Companies, Karnataka at Bengaluru or to any other regulatory and statutory authorities by the BRLMs only when called upon by SEBI or the stock exchanges in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLMs due diligence obligations pertaining to subject matter of this report or for any defence that the BRLMs may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLMs in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We confirm that this letter/statement can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable.

8. These Annexure(1) cover representations with respect to tax laws in the United Kingdom, based solely on prior engagements with Capillary Technologies Europe Limited.

9. We also consent to the inclusion of this letter as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date. We further consent to include our statement/ letter, in full or in parts, in the Offer Documents or such other documents to be issued by the Issuer in relation to the Offer.

10. We confirm that we will immediately communicate any changes in writing in the above information to the BRLMs based on written intimation received from the management until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from the management, BRLMs and the legal counsels, each to the Issuer and the BRLMs, can assume that there is no change to the above information.

11. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For PBG Associates Limited
Chartered Accountants

Sd/-
Ujjal Ghosh
Partner
Firm Registration No.: 08143694
Date: June 13, 2025
Place: Hayes, United Kingdom

Firm Seal:
Enclosed: **Annexure-1 (Statement of Possible Special tax benefits available to the Company)**

ANNEXURE – 1

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CAPILLARY TECHNOLOGIES EUROPE LIMITED

Possible Special Tax Benefits

1. ***R&D Tax Reliefs:*** *The Company may be eligible for expenditure credit under R&D merged scheme, if the Company is trading and chargeable to corporation tax and have a project that meets the definition of R&D. Expenditure Credit under the merged scheme is 20%, subject to the conditions. (CTA09/S1044(5) & CTA09/S104A(2)).*

2. ***Capital Allowances(CTA10/S948. CTA10/S948):*** *under this Company may be eligible for :*

   - **Annual investment allowance (AIA) -** can claim up to £1 million on certain plant and machinery

   - **100% first-year allowances -** can claim the full amount for certain plant and machinery in the year that it was bought

   - **Writing down allowances -** can claim these if your plant and machinery does not qualify for AIA or you've already claimed the maximum amount

3. ***Tax relief on goodwill and relevant assets:*** *Relief is a fixed rate of 6.5% a year on the lower of the cost of the relevant asset or 6 times the cost of any qualifying IP assets in the business purchased.(Chapter 15A CTA 2009).*

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CAPILLARY TECHNOLOGIES LLC AND CAPILLARY BRIERLEY INC.

Date: June 14, 2025

To,

The Board of Directors
Capillary Technologies India Limited
#360 bearing PID No 101, 360
15th Cross Rd, Sector 4, HSR Layout
Bengaluru -560102
Karnataka, India

The Managers
Capillary Technologies LLC
202 N Cedar Ave STE #1
Suite 200, Owatonna
Minnesota 55060

The Directors
Capillary Brierley Inc
8 The Green Suite A
Dover, Delaware 19901

Re: The statement of special tax benefits available to Capillary Technologies LLC and its US Subsidiary, namely, Capillary Brierley Inc.

Dear Sir/Madam,

1. We TruAnalyst Solutions LLP, Certified Public Accountants, hereby confirm that the enclosed **Annexure 1** and **Annexure II** prepared and issued by us, describes the special tax benefits available to the Capillary Technologies LLC and Capillary Brierley Inc., the material subsidiaries of the Issuer (*defined below*) any under tax laws as stated in the enclosed Annexure I.

2. Certain of these benefits are dependent on Capillary Technologies LLC and Capillary Brierley Inc. satisfying conditions prescribed under the relevant provisions of the Code and/or other applicable law. Therefore, the ability of Capillary Technologies LLC and Capillary Brierley Inc. to derive the special tax benefits may be dependent upon the satisfaction of such conditions which, based upon various factors, that Capillary Technologies LLC and Capillary Brierley Inc. may or may not ultimately satisfy.

3. The benefits discussed in the enclosed Annexure(s) are not exhaustive and cover the possible special tax benefits available to Capillary Technologies LLC and Capillary Brierley Inc. and do not cover any general tax benefits available to Capillary Technologies LLC and Capillary Brierley Inc. and each of its shareholders. We are informed that the Annexure(s) is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "**Proposed IPO**") by Capillary Technologies India Limited ("**Issuer**"), of which each of Capillary Technologies LLC and Capillary Brierley Inc. are material subsidiaries. Neither are we suggesting nor advising the investor to make any investment based on this statement of special tax benefits.

4. We do not express any opinion or provide any assurance as to whether:

(i) Capillary Technologies LLC and Capillary Brierley Inc. will continue to obtain these benefits in the future;

(ii) the conditions prescribed for availing the benefits have been / would be satisfied; and

(iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexure(s) are based on information, explanations and representations obtained from Capillary Technologies LLC and Capillary Brierley Inc and on the basis of our understanding of each of its business activities and operations. We have relied up on the information and documents obtained being true, correct and complete and have not audited or tested them. Our view, under no circumstances is to be considered as an audit opinion under any regulation or law.

6. This Statement is addressed to Board of Directors and issued at specific request of the Issuer. This Statement is intended solely for your information and issued solely in connection with the proposed initial public offering of equity shares of Capillary Technologies India Limited (the "**Offer**") and for disclosure in materials used in connection with the Offer (together, the "**Offer Documents**") to be filed by Capillary Technologies India Limited in respect of the Offer with the Securities and Exchange Board of India, the Registrar of Companies, the Stock Exchanges pursuant to the provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as required by law in connection with the Offer and in accordance with applicable law, and is not to be used, referred to or distributed for any other purpose.

8. These Annexure(s) cover representations with respect to tax laws in the USA.

9. This report may be delivered to SEBI, the stock exchanges, to the Registrar of Companies, Karnataka at Bengaluru or to any other regulatory and statutory authorities by the BRLMs only when called upon by SEBI or the stock exchanges in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLMs due diligence obligations pertaining to subject matter of this report or for any defence that the BRLMs may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLMs in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We confirm that this certificate can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable

10. We confirm that we will immediately communicate any changes in writing in the above information to the BRLMs based on written intimation received from the management until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from the management, BRLMs and the legal counsels, each to the Issuer and the BRLMs, can assume that there is no change to the above information.

11. We also consent to the inclusion of this letter as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date. We further consent to include our reports/ certificates/ letters, in full or in parts, in the Offer Documents or such other documents to be issued by the Issuer in relation to the Offer.

12. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

Firm Name: TruAnalyst Solutions LLP

Partner Name: Utsav Panchal, Certified Public Accountant
Firm Seal:

Membership No.: AZ 19732-E

Enclosed: **Annexures**

LIST OF TAX LAWS

Sr. No:	Details of Tax laws
1	Internal Revenue Code of 1986 (IRC) - Title 26 of the United States Code (26 USC)
2	Treasury Regulations issued by the U.S. Department of Treasury

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CAPILLARY TECHNOLOGIES LLC AND CAPILLARY BRIERLEY INC. UNDER THE TAX LAWS OF THE UNITED STATES OF AMERICA

Bonus Depreciation – IRC Section 168(k)
Capillary Technologies LLC and **Capillary Brierley Inc.** ("the Consolidated US Group") may be allowed to deduct 60% of the cost of qualifying tangible depreciable property placed in service during the tax year 2024. This applies to property with a recovery period of 20 years or less, including machinery, equipment, computers, and furniture. Bonus depreciation is available regardless of whether the asset is new or used, provided it meets the IRS acquisition and use criteria.

Section 179 Expensing – IRC Section 179
The Consolidated US Group may elect to expense up to $1,220,000 of the cost of qualifying property placed in service in 2024, subject to a phase-out threshold of $3,050,000. While Section 179 benefits are often more favorable for smaller businesses, C Corporations may leverage this provision for eligible business-use assets such as technology systems, office furniture, and certain non-residential real property improvements.

Research and Development (R&D) Tax Credit – IRC §41
If the Consolidated US Group engage in developing proprietary marketing analytics tools or innovative platforms, they may be eligible for the federal R&D tax credit. Qualified expenditures include wages, supplies, and contract research costs.

De Minimis Safe Harbor Election – Reg. §1.263(a)-1(f)
The Consolidated US Group may elect to expense purchases of tangible property costing up to $5,000 per item under the De Minimis Safe Harbor, simplifying fixed asset accounting for low-value acquisitions.

Global Intangible Low-Taxed Income (GILTI) Deduction – IRC §§951A & 250
To the extent the Consolidated US Group owns or controls foreign subsidiaries classified as Controlled Foreign Corporations (CFCs), it must include its pro rata share of GILTI in gross income. However, as a C Corporation, the Consolidated US Group is entitled to a 50% GILTI deduction under §250, reducing the effective tax rate on such income.

Foreign Tax Credit (FTC) – IRC §§901, 960
Foreign taxes paid by foreign affiliates on income included in the Consolidated US Group's consolidated taxable income (e.g., GILTI, Subpart F) may be used to claim a foreign tax credit, mitigating double taxation. This is subject to various limitations, including foreign tax credit baskets and expense allocation rules.

Foreign-Derived Intangible Income (FDII) Deduction – IRC §250
The Consolidated US Group may claim a 37.5% deduction on eligible income earned from providing marketing consulting services to foreign clients for foreign use, resulting in a reduced effective federal tax rate of 13.125% on such income. Proper documentation and economic substance are required.

Tax Treaty-Based Withholding Reductions
Where the Consolidated US Group engages in cross-border payments to or from affiliated entities in treaty jurisdictions, it may benefit from reduced U.S. withholding tax rates on dividends, interest, and royalties under applicable U.S. tax treaties, provided appropriate documentation (e.g., IRS Form W-8BEN) is maintained.

SECTION IV: ABOUT OUR COMPANY

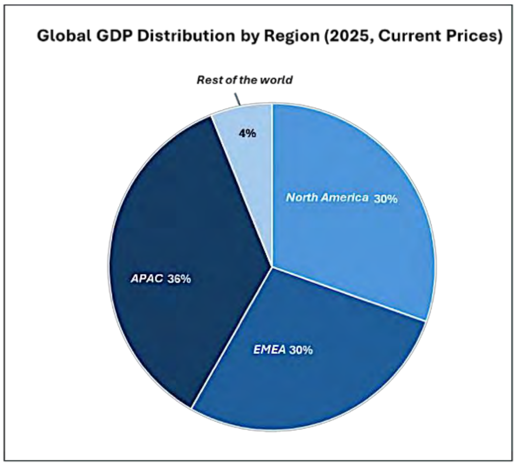
INDUSTRY OVERVIEW

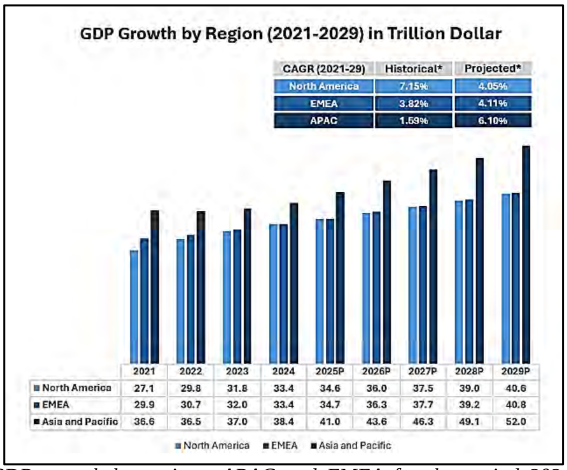
Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "*Customer Loyalty and Engagement Software Market Overview*" dated June, 2025 (the "***Zinnov Report***") prepared and issued by Zinnov. The Zinnov Report has been exclusively commissioned and paid for by us pursuant to the engagement letter dated February 19, 2025, in connection with the Offer. A copy of the Zinnov Report is available on the website of our Company at https://www.capillarytech.com/investors/ and has also been included in "*Material Contracts and Documents for Inspection –Material Documents*" on page 567. For further information, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose*." on page 81. Also see, "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation –Industry and Market Data*" on page 23**.**

GLOBAL MACRO ECONOMIC OUTLOOK

According to the IMF's long-term projections, global growth is expected to remain moderate in the coming years, with **APAC continuing to account for the largest share of global GDP**. However, North America is projected to outpace EMEA and APAC in growth, with a CAGR of 5.2% from 2024 to 2029, compared to 4.5% for APAC and 4% for EMEA.

Technological advancements, especially in cloud adoption, artificial intelligence, and digital transformation, will reshape the global economic landscape. While these innovations will drive the emergence of new industries, they may also disrupt traditional sectors, necessitating significant adaptations in workforce skills and economic policies. These shifts will also redefine consumption patterns, with rising demand for personalized tech enabled services in developed markets and scalable, affordable digital solutions in emerging economies.





Global GDP distribution by regions in current prices Overall GDP growth by regions, APAC and EMEA for the period 2024-2029
Source : IMF

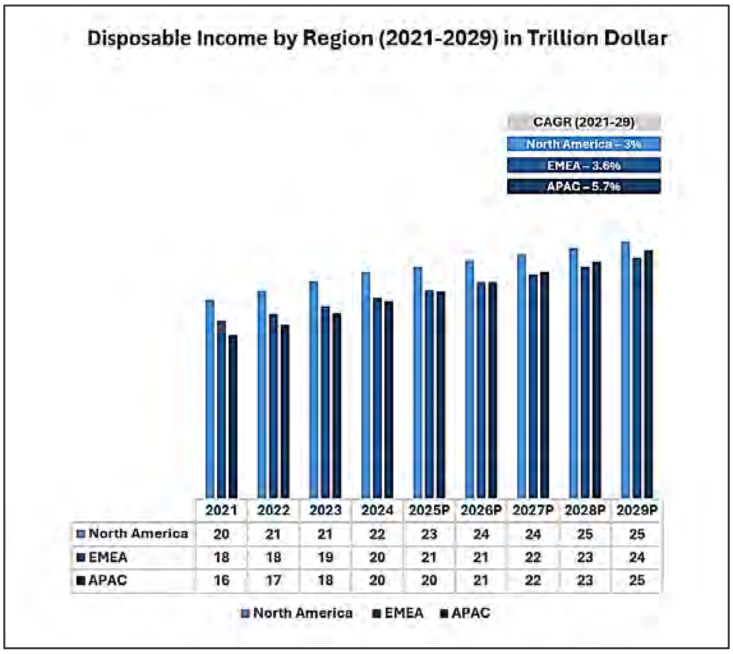
Global Drivers of Change

With digital acceleration, evolving trade dynamics, and SaaS-led disruption redefining GDP trajectories, businesses are capitalizing on new consumption patterns, rising disposable incomes, rapid technology adoption, and cross-border digital expansion

Global Consumption Growth

Increasing Disposable Income Across the Globe

Over the past decade, global disposable income levels have been rising, particularly in emerging markets like India, China, and Southeast Asia. (Source : OECD, World Bank, Zinnov Analysis)



Disposable Income of North America, APAC and EMEA for the period 2021-2029

This rise is fueled by:

Economic Expansion through Job Creation & Increased Wages: Global unemployment remained steady in 2024 at a historical low of 5%, which is set to stay in 2025, as reported by International Labor Organization.

Increasing Urbanization and Middle-Class Expansion: More than half of the world's population, almost 4.4 Billion people lived in urban areas in 2023. This shift is set to continue, with the urban population expected to more than double by 2050. World Bank Group

Increase in Low Dependency Population: According to the United Nations, nearly 50% of the global population falls within the 25–65 age bracket—a low-dependency, economically active group whose rising incomes and lifestyle aspirations are set to drive sustained demand across sectors like housing, mobility, healthcare, and digital services. (United Nations)

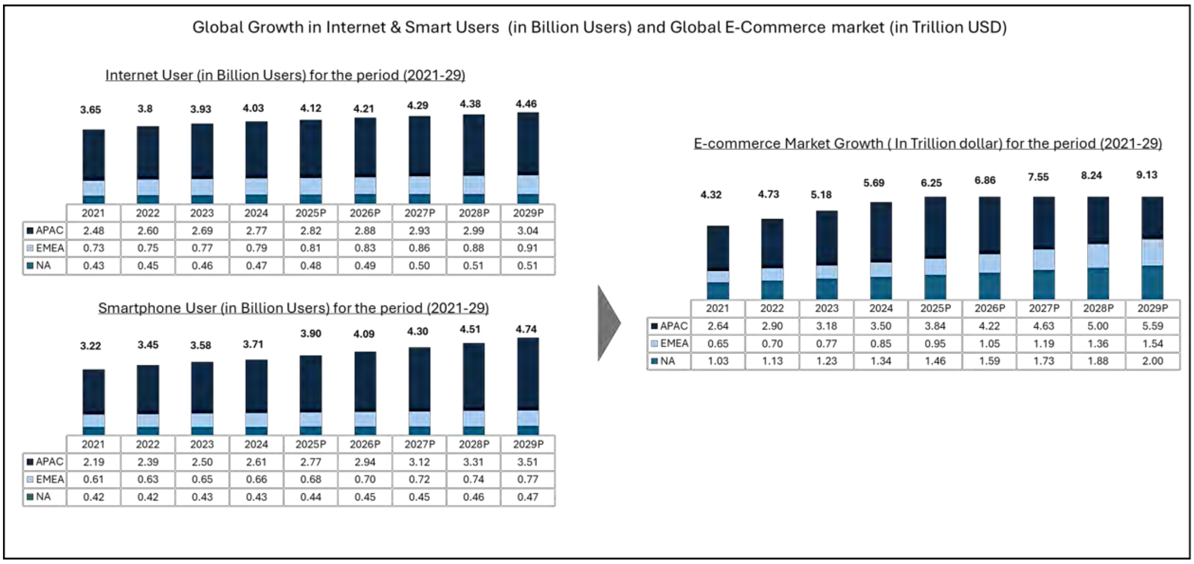
Growth in consumption enabling the boost in the consumer-driven industries

Increase in final consumption expenditure: According to the World Bank, final consumption expenditure has recorded a cumulative increase of 10% over the past two years, indicating a sustained recovery in household demand. (World Bank).

Growing economic influence of middle class: According to a report by the Bureau of Labor Statistics, individuals falling in the third and fourth income quintile which represents middle class experienced approximately 6.5% increase in expenditures, notably higher than the global average increase of around 5%.

High Growth in Internet and Smartphone Adoption and E-commerce

From seamless mobile transactions to AI-driven personalization, e-commerce is becoming a dominant force in the global economy, reshaping how businesses engage with customers and driving new levels of digital consumption. The graphs below represent the growth of internet and smartphone users, the e-Commerce market, and the growth of drivers across the three regions.



Global Internet & Smartphone penetration Users(in Million Users) and E-commerce market (in Trillion dollar) for the period 2021-2029

Global internet user growth is expected to steadily rise from **3.7 bn** users in 2021 to **4.5 bn** users by 2029. The year-over-year growth in internet users is relatively consistent, with a gradual increase of approximately **0.1 bn users annually**. Growth is strong in smartphone adoption, especially in emerging markets, as the number of smartphone users continues to increase yearly. Asia-Pacific (APAC) remains the largest market for e-commerce, showing the highest growth, expected to rise from **U.S.D2.6 Million in 2021 to U.S.D5.6 Million by 2029**.

Large Scale Digitization

Rising Digital Economies

A growing digital foundation is reshaping economies, with around 3/4th of the world population owning a mobile phone (ITU). The number of connected devices on the Internet is projected to reach 50 billion as early as 2025 unerscoring the expansion of always-on digital infrastructure, enabling seamless consumer experiences, smart environments, and real-time data ecosystems. International Telecommunication Union.

Accelerated Digital & Technology Adoption Globally

The World Economic Forum says, rapid adoption of digital technologies is reshaping industries and driving economic growth, with **70% of global GDP growth over the next five years** fueled by digitalization. 170+ countries are implementing national digital transformation strategies.

Policy & Ecosystem

The European Union has advanced its digital transformation agenda through the Digital Decade Policy Programme 2030. Similarly, the U.S. CHIPS and Science Act invested U.S.D280 Billion on bolstering semiconductor and digital innovation, China’s 14th Five-Year Plan emphasizes digital economy development, and India’s Digital India initiative is accelerating digital infrastructure, inclusion, and e-governance

GLOBAL CONSUMER INDUSTRY OVERVIEW

The global consumer landscape is evolving rapidly, shaped by shifting demographics, digital adoption, and the growing importance of customer engagement.

This section provides an overview of the scale and dynamics of **seven key consumer-driven industries—Retail, Quick Service Restaurants (QSR), Energy, Travel & Hospitality, BFSI, Healthcare, and Consumer Packaged Goods (CPG)** and long-term growth potential.

Industry Vertical	Definition	Sub-Verticals
Retail Goods and Services	Retail goods sold in-store, online, and via catalogs, covering both durable (long-lasting) and non-durable (frequently purchased) goods	Fashion & Apparel, Department Stores, Convenience Stores, Consumer Electronics, Furniture, Luxury Goods, Pharmacy & Wellness, etc.
Healthcare	Businesses offering medical and wellness services, including hospitals, and digital health solutions.	Hospitals & Clinics, Telemedicine, Health Insurance, Wellness & Fitness.
Travel & Hospitality	Industry focused on providing accommodation, transportation, and food services for business and leisure travelers.	Hotels & Lodging, Airlines & Railways, Cruises, Car Rentals, Food Services, OTAs.
Consumer Packaged Goods (CPG)	Fast-moving consumer goods (FMCG) that are frequently purchased, including food, beverages, household, and personal care products.	Food & Beverages, Beauty & Personal Care, Household Goods, Health & Hygiene Products.
Quick Service Restaurants (QSR)	Food service outlets providing meals with minimal preparation time and quick delivery through counter service or drive-thru.	Fast-food chains, Cafeterias, Small Table Services, Takeaway & Delivery-focused Brands, Cloud Kitchens.
BFSI (Banking, Financial Services & Insurance)	Sector covering retail banking, insurance, and financial products such as credit cards catering to both individuals and businesses.	Retail Banking, Digital Payments, Credit Cards, InsurTech
Energy	Energy, including oil, natural gas, and electric charging, consumed for both domestic and commercial vehicle use.	Retail Fuel Gas Stations, Fleet Fuel Solutions, Home LPG & CNG Fuel, EV Charging Networks.

Definition and Overview of consumer facing industry verticals

Growth Drivers Across Consumer-Facing Industries

Urbanization and Demographic Shifts - According to the World Bank, **56% of the global population**—around **4.4 billion people**—now live in urban areas, a figure expected to more than double by 2050. This urban shift, coupled with the rise of a young, fast-paced working population, is fueling demand for quick, on-the-go products.

Increased Personalization – Companies are increasingly focusing on **personalized customer experiences** and are moving away from more traditional methods. Companies that have implemented these technologies have reported higher conversion rates emphasizing the importance of this switch.

Increased Consumer Spending - With consumers allocating more of their **discretionary income** to non-essential goods and services, there has been a noticeable boost in demand across sectors like **retail, dining**, and **entertainment**, contributing to overall growth in the consumer-facing industry

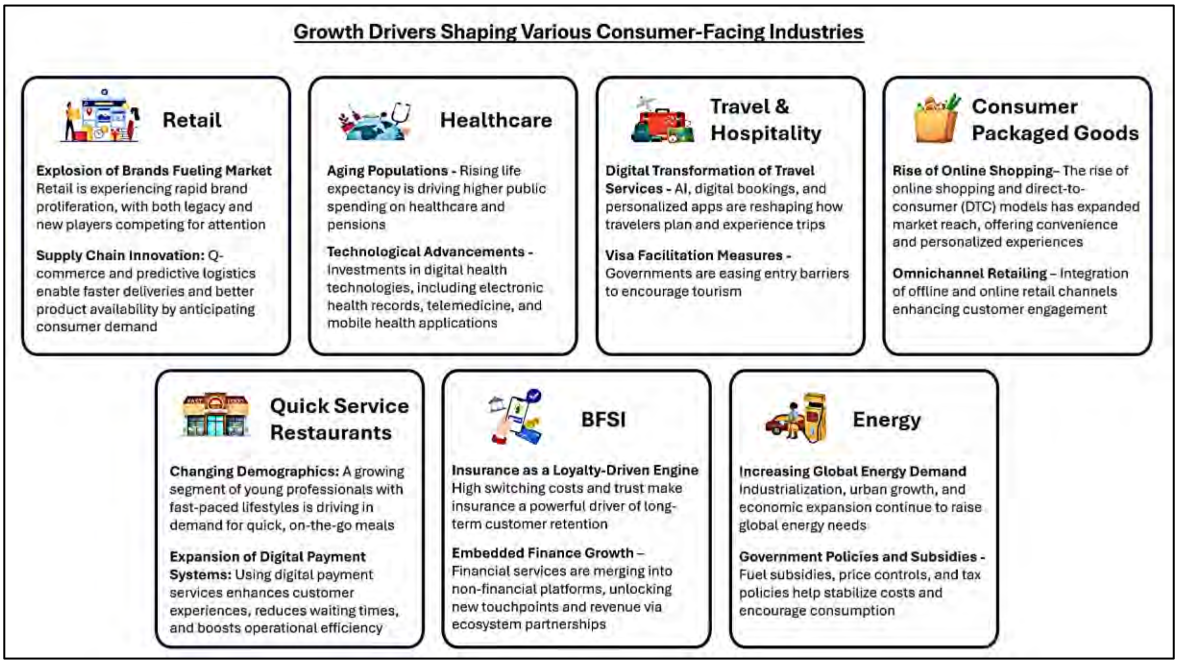
Rise of Smaller Households - As family sizes shrink, there is a growing demand for **personalized, convenient solutions** in sectors like personal technology, home appliances, and on-demand services, leading to increased spending across consumer-facing industries.

Accelerated Digital Transformation – AI, automation, and data analytics are optimizing supply chains, and driving hyper-personalized marketing strategies. **In Retail**, for instance, Furocis-Tradefair has forecasted that over 10,000 autonomous checkout stores globally will streamline operations and improve customer satisfaction. Tools like electronic health records, telemedicine, and mobile health apps are transforming how healthcare is delivered.

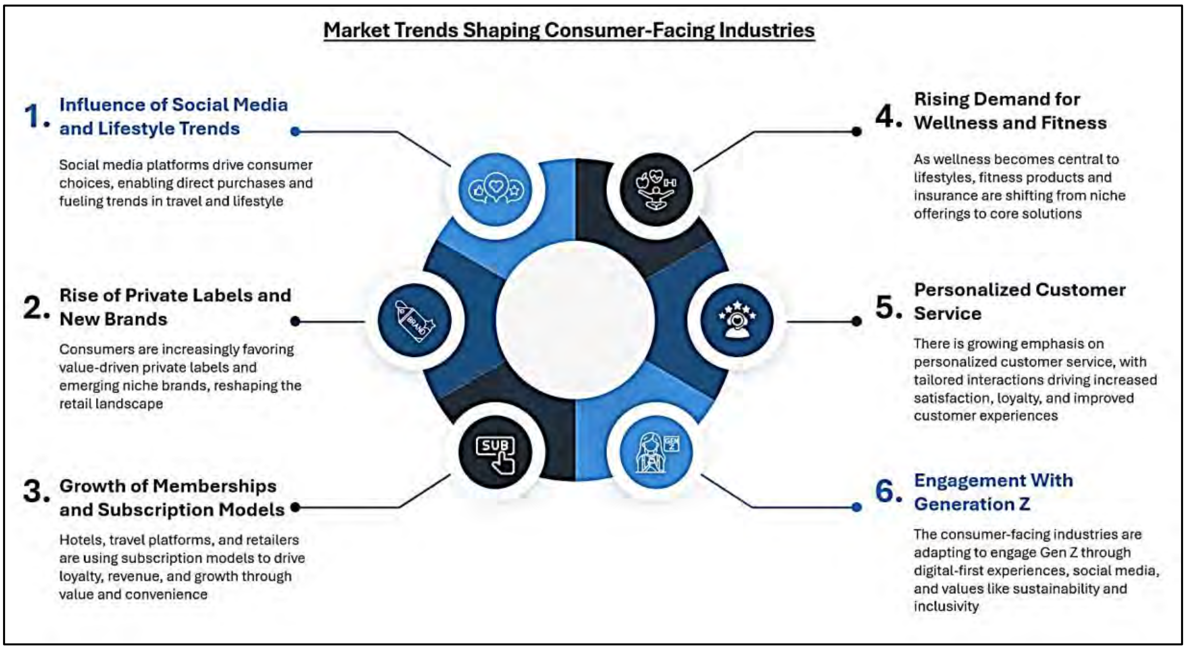
Digital Payments across Segments – In recent years, the rise in cashless transactions has grown by approximately 10% in advanced economies and approximately 18% in emerging markets, is revolutionizing the consumer landscape. This increase in digital payments is fueling growth for consumer-facing industries by enhancing convenience, speeding up transactions, and enabling seamless interactions for consumers, ultimately driving higher spending and engagement.

Omnichannel Experience & Quick Commerce – Omnichannel enablement is a key growth driver, enhancing customer experiences by seamlessly integrating online and offline touchpoints. The rise of quick commerce-offering delivery within minutes- is amplifying this trend, driving engagement and conversions through unprecedented convenience across consumer-facing industries .

Embedded Ecosystem Partnerships - Cross-industry partnerships are enabling growth in consumer-facing industries by integrating services and creating new touchpoints and revenue streams across sectors like e-commerce, technology, finance and retail.



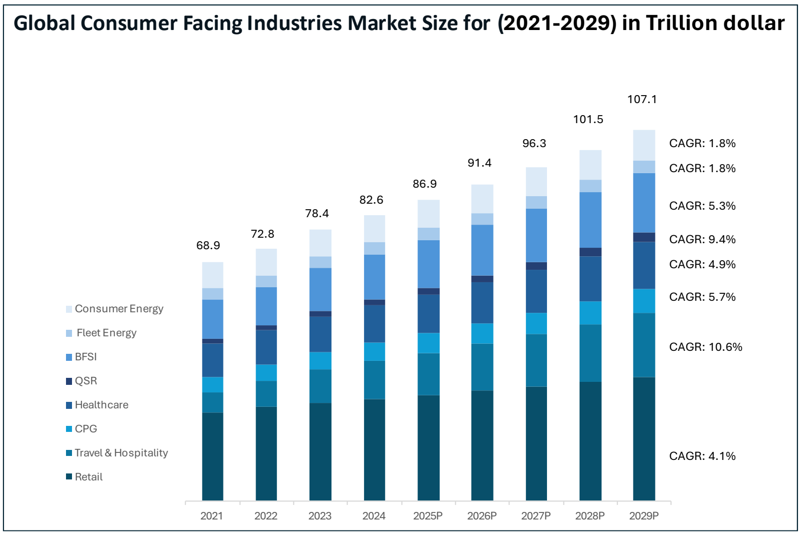
Key growth drivers shaping various consumer facing industries



Market trends shaping consumer facing industry verticals

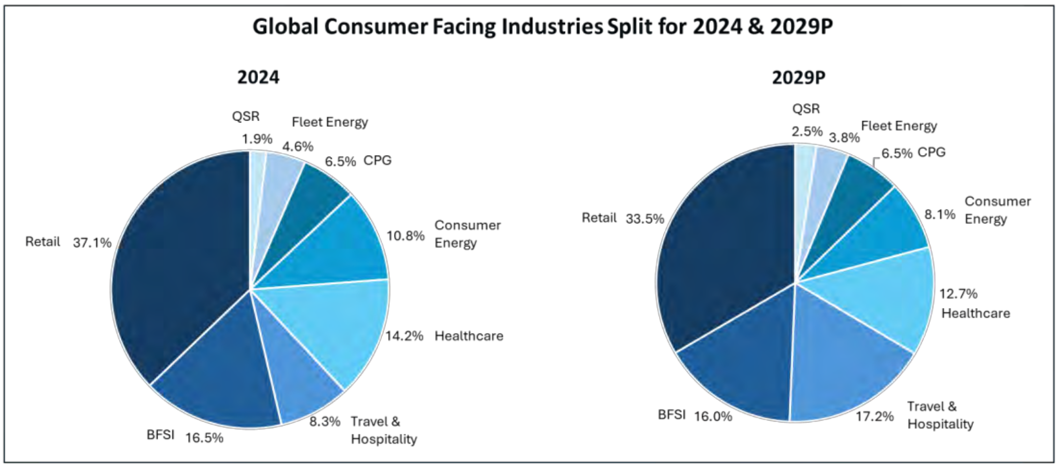
Growth in Market Size of Consumer Facing Industries

Driven by the key trends and growth drivers outlined earlier, consumer-facing industries have experienced notable expansion in market size. The ongoing shifts in urbanization, digital transformation, and consumer behavior have contributed to the growth of sectors like retail, healthcare, travel, and more. This chart illustrates the evolution of multiple industries within the consumer-facing space, highlighting their growth over time.



Split of Consumer Facing Industries - Market Size

**Note: The Travel and Hospitality CAGR has been calculated using pre-pandemic growth rates assuming a post pandemic normalization. The BFSI market size only includes retail banking, digital payments, InsurTech, and credit cards*



2024 and 2029P Split of Consumer Facing Industries

CUSTOMER ENGAGEMENT AND LOYALTY

In today's competitive landscape, consumer industries are grappling with several challenges related to acquiring and retaining customers while trying to maximize the returns on their investments. As traditional methods no longer guarantee long-term success, businesses must rethink their approaches to customer engagement, focusing on improving Lifetime Value (LTV) and optimizing retention to offset rising costs.

Challenges Faced by Consumer Industries in Maximizing Customer Returns: A Focus on Acquisition and Retention

Higher Customer Acquisition Cost (CAC)

With CAC steadily increasing, businesses are shifting focus from pure acquisition to customer-centric metrics like NPS, retention, and lifetime value. In 2025, Forbes reported that e-commerce brands were **losing USD 29 per new customer**, reflecting a decade-long CAC surge. It is now significantly more expensive to acquire a new customer than to retain an existing one, with loyalty program members demonstrating 15% to 40% higher Customer Lifetime Value (CLTV) compared to non-members. As customer acquisition costs steadily rise, businesses are shifting their focus from pure acquisition strategies to customer-centric metrics such as Net Promoter Score (NPS), retention, and LTV.

A study by Optimove indicates that acquiring a new customer can be **five times more expensive** than retaining an existing one. A study by Shopify Inbeat suggests that costs vary by sector—**USD 127 in Health & Beauty**, **USD 377 in Electronics**, and reaching up to **USD 784 in Financial Services**- making retention strategies more critical than ever for sustainable growth.

Limitations of Organic Growth

Another challenge is the inherent limitations of organic growth in customer acquisition. While organic growth relies heavily on factors like word-of-mouth, SEO, and social media presence, it becomes difficult to scale without heavy investment in marketing. Companies may struggle to achieve meaningful customer acquisition, upselling, or engagement without consistently spending on new initiatives to capture attention. This highlights the growing need for personalized, data-driven engagement to foster long-term loyalty and maximize customer returns.

Industry	Organic Growth Limitation	Impact
Retail	Heavy reliance on paid advertising for customer acquisition instead of repeat purchases	Brands spending more on acquisition rather than retention and repeat
CPG	Struggles to increase purchase frequency or expand product adoption	Limited cross-selling of new products to existing customers
QSR	Inability to drive repeat visits beyond promotions	Dependency on discounts rather than habit formation
Energy	Few ways to retain customers without pricing incentives	Customers switching based on price differences
Travel & Hospitality	Over-reliance on seasonal spikes rather than year-round engagement	Hotels dependent on peak seasons instead of loyalty programs
BFSI	Struggles to deepen wallet share of existing customers	Low cross-selling of wealth management or credit card upgrades
Healthcare	Low patient retention beyond episodic care	Patients not engaging in preventive care programs

List of organic growth limitations by industries

Changing Consumer Behavior

Economical Pressure – Few economic challenges indirectly have led consumers to seek value through loyalty programs. For example, in Australia, households have increasingly used the **Flybuys** loyalty scheme to offset grocery costs amid rising living expenses, leading to a 5.3% growth in membership.

Personalization - Customers demand **personalized tailored rewards** based on their buying behavior. For example, **Starbucks Rewards** leverages AI to offer hyper-personalized discounts based on past orders.

Instant Gratification - Waiting months to redeem points is outdated. Instant cashback or tier-based perks increase engagement.

Emotional Connection & Brand Values - Many consumers now prefer programs that align with sustainability, social responsibility, or personal interests.

Industry Wide Customer Retention Challenges

Customer retention continues to be a pressing challenge across industries, with each sector experiencing unique pain points that hinder sustained engagement. Retention isn't just about reducing churn—it's about building enduring, personalized relationships at scale.

Retail & CPG – Fragmented offline-online engagement and limited D2C touchpoints hinder consistent brand experiences.

QSR – Intense price wars and evolving tastes render traditional loyalty models ineffective. Dynamic, gamified, and personalized engagement is needed to drive repeat visits and relevance.

Energy – With pricing regulation and commoditized offerings, differentiation is tough. Loyalty must extend beyond fuel—through C-store tie-ins, cross-category engagement, and personalized offers.

Travel & Hospitality – Seasonal demand swings and external shocks strain loyalty. Emotional loyalty built on hyper-personalization, lifecycle communication, and seamless omnichannel engagement is essential.

BFSI – Legacy players face churn amid digital-first competition, trust gaps, and commoditized products.

Healthcare – Fragmented care journeys, complex insurance, and rising expectations challenge loyalty.

Omnichannel Integration Gaps

Fragmented customer experiences across digital (web/app), physical (in-store), and support touchpoints are a growing concern. Inconsistent branding, disconnected promotions, and lack of seamless transitions between channels can frustrate users and lead to churn. According to Shopify, 73% of customers use multiple channels during their shopping journey, and any disconnect can increase acquisition costs undermining customer trust. This highlights the urgency of unified omnichannel strategies to maintain loyalty and acquisition efficiency

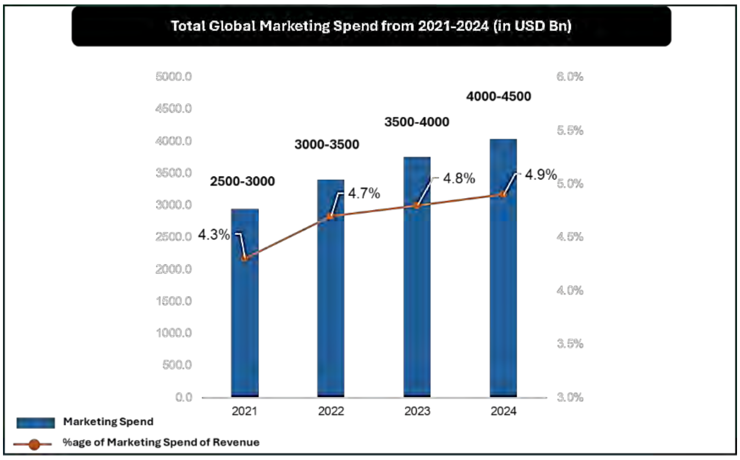
Role of Customer Engagement in Maximizing LTV

Considering these challenges, the importance of customer engagement becomes clear. By focusing on improving customer retention and maximizing LTV, businesses can **offset high CACs and reduce the need for expensive customer re-acquisition efforts**. Engaging customers through loyalty programs, personalized offers, and meaningful brand experiences can enhance customer lifetime value, reducing the pressure to constantly acquire new customers.

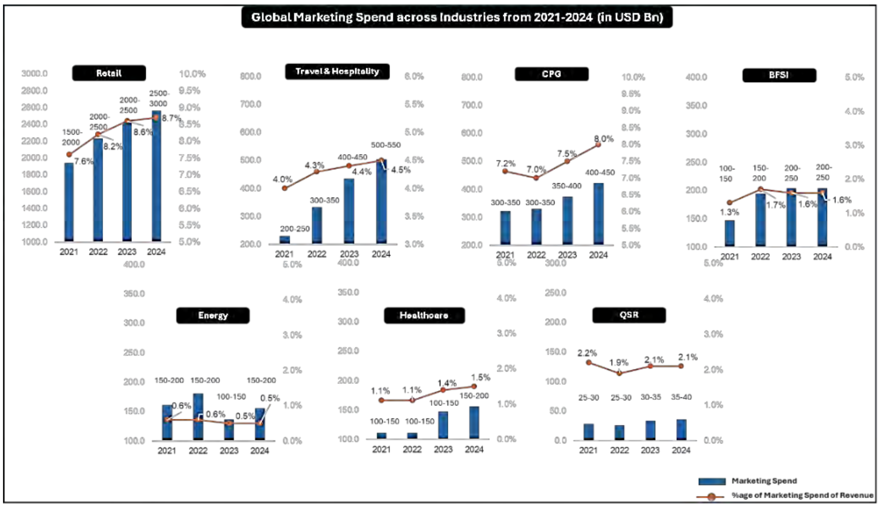
To navigate these **engagement challenges**, consumer-facing industries are increasingly turning to **marketing and technology as strategic levers**. Whether it's unlocking real-time personalization, orchestrating omnichannel experiences, or building trust through data-driven storytelling, the fusion of modern marketing and digital innovation has become mission-critical.

This shift is reflected in rising marketing investments **across sectors across regions**, as brands double down on customer-centric growth. The following chart illustrates how marketing spend has steadily increased across industries in response to evolving engagement demands.

Global Trend of Marketing Spends across Consumer Industries from 2021-2024



Global Marketing Spend from 2021-2024



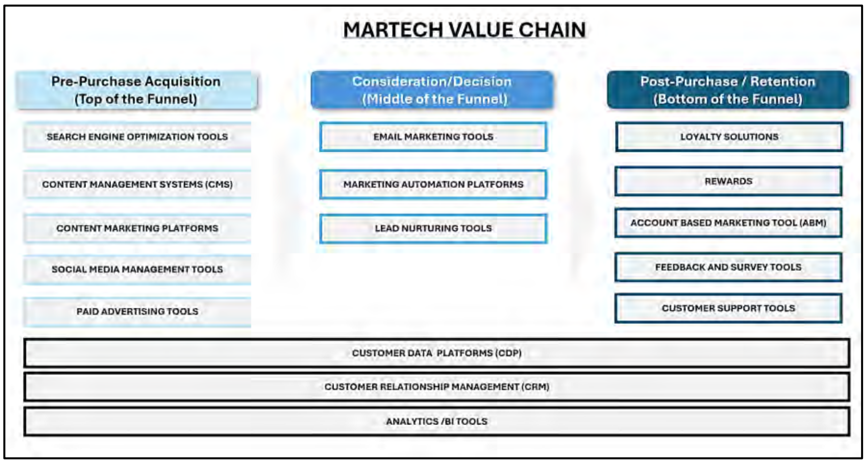
Global Marketing Spend across Industries from 2021-2024

As marketing investments continue to climb, organizations are realizing that traditional approaches alone can't deliver the speed, scale, or precision required in today's dynamic landscape. This is where **MarTech**—the convergence of **marketing and technology**—steps in as a game-changer. From automation and personalization engines to customer data platforms and AI-driven insights, MarTech enables brands to move beyond mass messaging to truly intelligent engagement.

According to the CMO Council's **Loyalty That Lasts** report, **emotional loyalty**—characterized by trust, affinity, and attachment - has emerged as a key growth driver. The study highlights those fostering emotional connections, rather than relying solely on transactional loyalty programs, significantly boosting **customer retention** and **lifetime value (LTV)**

Marketing Technology (MARTECH) as a cornerstone for Customer Engagement

The MarTech stack illustrated here maps out the key tools supporting customer engagement across the entire funnel—from acquisition to retention. At the top, tools like SEO, CMS, and social media platforms drive awareness and traffic. In the consideration stage, automation and email tools nurture leads toward conversion. Post-purchase, loyalty programs, feedback mechanisms, and support tools strengthen retention. Underpinning all of this are foundational systems like CDPs, CRMs, and analytics platforms that unify data and power intelligent, personalized engagement at every step.



MarTech tools at 3 key stages of customer journey

Through tools like marketing automation, journey orchestration, push notifications, and dynamic content delivery, **brands are now able to speak directly to their customers**—at the right time, on the right channel, with the right message. The real power of this layer is in its ability to foster lasting relationships, and that's where Loyalty Solutions come in.

Understanding Loyalty

Consumer loyalty refers to both a conscious and subconscious preference that a customer holds toward a brand, its products, or services. The most successful loyalty programs today go beyond transactional rewards—they focus on nurturing the overall customer relationship by building trust, driving sustained engagement, and cultivating brand advocacy. Loyalty is fundamentally about engaging consumers across their entire journey and consistently prioritizing their needs.

Loyal consumers typically exhibit the following characteristics:

- Default to certain "go-to" brands across key categories
- Trust that the brand will consistently act in their best interest
- Recognize tangible value in remaining loyal to the brand
- Are not easily swayed by competing prices or availability
- Rarely explore alternative brands or options
- Are more likely to refer the brand to friends and family

- Show openness to purchasing other goods or services from the same brand
- Exhibit patience during service failures and trust the brand to resolve them
- Provide constructive feedback to help improve offerings
- Demonstrate an ongoing intention to repurchase when needs arise

Loyalty Solutions

While loyalty is rooted in customer behavior and brand affinity, **loyalty solutions represent the strategic and technological enablers** that translate that loyalty into measurable business value. Moving beyond traditional rewards like points and discounts, modern solutions aim to deepen customer relationships through personalized experiences, emotional engagement, and exclusivity—turning transactional buyers into long-term brand advocates.

In the modern MarTech stack, loyalty solutions are essential, not just as an add-on but as a **core component of a broader engagement strategy**. Integrated with other marketing technologies like CRM platforms and AI analytics, they deliver personalized, real-time interactions that drive deeper customer loyalty and contribute to sustainable business growth.

Loyalty programs have proven to be a key driver of customer engagement and brand preference, with 70% of consumers considering such programs a major factor in brand selection and 72% likely to join before their first purchase.

The strategic significance of loyalty solutions is underscored by substantial investments and measurable returns across industries. For instance, Optum leverage Capillary's solution to enhance its loyalty programs, aiming to improve patient engagement and satisfaction. Similarly, Azerbaijan Airlines partnered with Comarch to upgrade its Azal Miles loyalty program, demonstrating a commitment to enhancing customer engagement through advanced loyalty platforms.

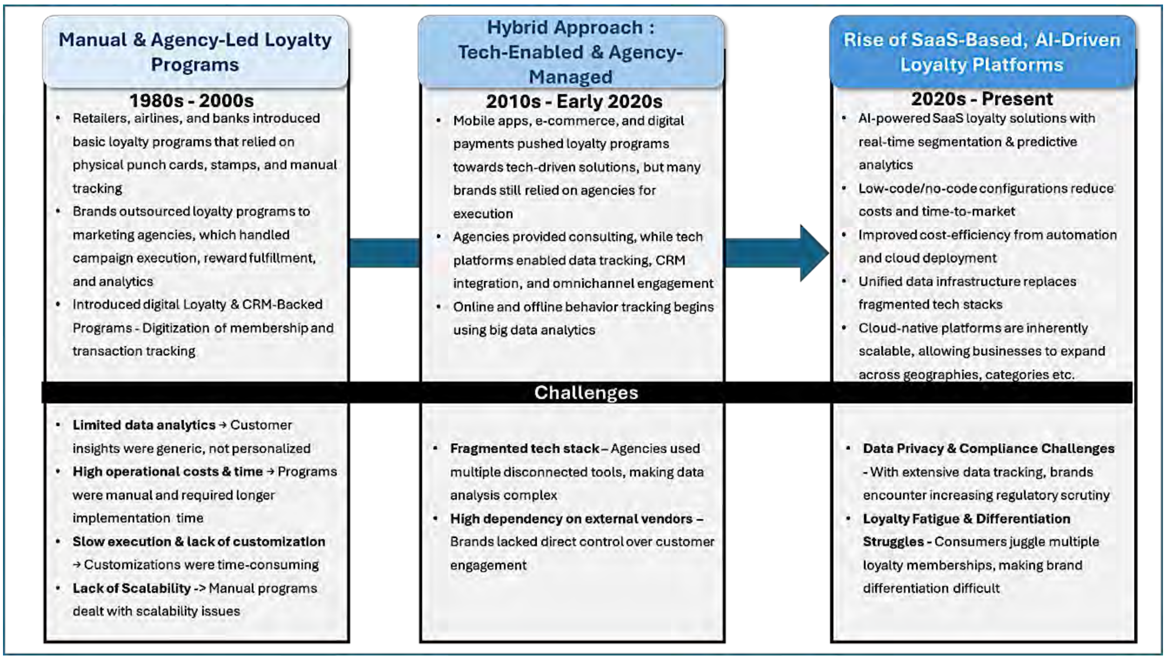
According to the Association of National Advertisers (ANA), approximately **60% of U.S client-side marketers** (refers to professionals employed directly by brands or organizations to manage and execute marketing strategies) indicated that loyalty marketing would be more important to them in 2025. Nearly every Fortune 500 company has implemented some form of loyalty marketing program, underscoring the widespread adoption of loyalty initiatives among leading enterprises.

Changing end-user demographics, growing expenditure on loyalty programs, rapid growth in the applications of AI and analytics, and appreciation for online reward management solutions are adding to the loyalty market growth.

Evolution of Loyalty Solutions

Loyalty programs have been around for decades, evolving through multiple phases to keep pace with changing consumer behavior. What began as simple transactional reward systems has now transformed—driven by rising customer expectations, digital acceleration, and data-led strategies—into sophisticated engagement ecosystems.

A major shift in this evolution is the decline **of traditional agency-led loyalty models and the rise of SaaS-based technology platforms** that automate, scale, and optimize loyalty management.



Evolution of Loyalty programs over decades

Foundational Era (Pre-1990s to Early 2000s): Manual, Agency-Led Loyalty

This phase was defined by **rudimentary, paper-based systems like punch cards, stamps, and plastic loyalty cards**. Customer data tracking was virtually non-existent, and programs were largely execution-driven, handled by **external marketing agencies**. These programs were successful in initiating loyalty thinking but lacked scalability and real personalization. Loyalty was treated as a promotional add-on rather than a strategic lever.

Technology involvement was minimal. Brands relied heavily on offline engagement, and loyalty initiatives were siloed, with little or no integration into customer journey strategies. CRM systems were just emerging but were not widely integrated into loyalty frameworks.

Transitional Era (Mid-2000s to Early 2020s): Tech-Enabled, Agency-Managed Hybrid Models

With the rise of digital platforms, mobile commerce, and CRM systems, loyalty programs began embracing technology—but often in a fragmented way. Brands started to **digitize their rewards, integrate CRM platforms, and track consumer behavior** both online and offline using early-stage analytics tools.

While technology allowed for greater data capture, most brands continued to depend on external agencies for strategy and campaign execution, leading to siloed tech stacks and limited agility. Big Data and early omnichannel systems enabled behavior-based targeting, but execution complexity remained a bottleneck.

Modern Era (2020s – Present): AI-Driven SaaS Loyalty Platforms

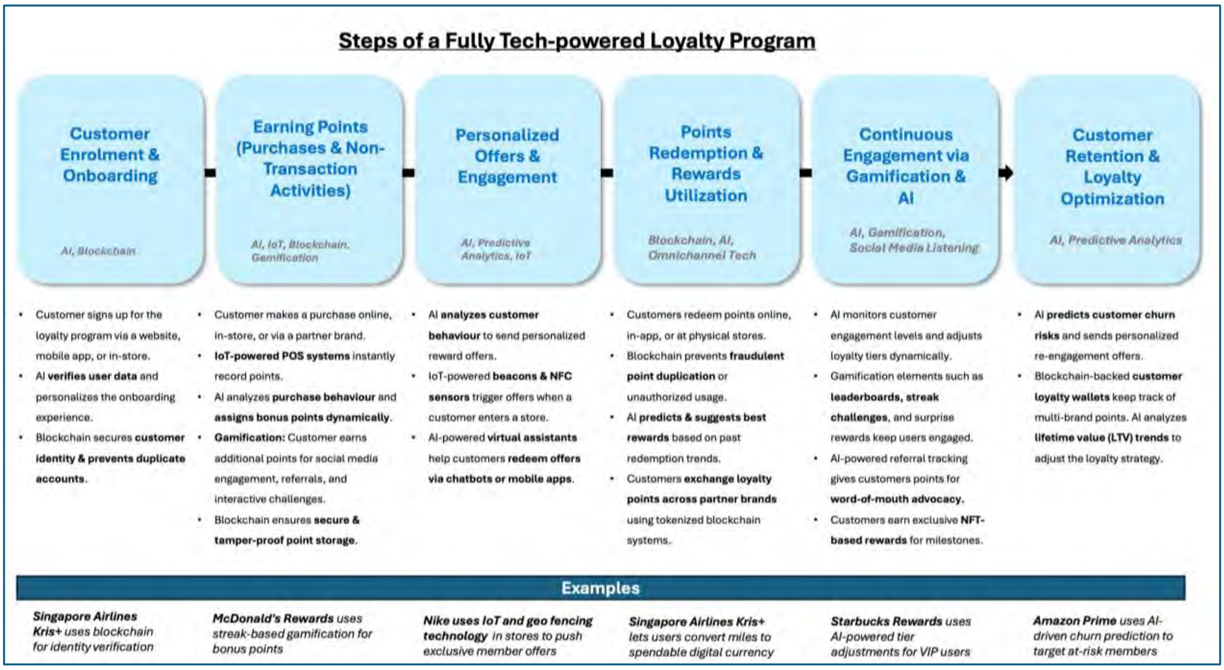
The current wave is defined by the **rise of cloud-native SaaS platforms and AI-powered loyalty engines**. These platforms are **deeply embedded in enterprise MarTech stacks** and are designed to deliver real-time segmentation, predictive analytics, and omnichannel orchestration.

Loyalty today is not just about retention—it is a **growth enabler**. Leading platforms leverage technologies like AI, blockchain, gamification engines, and APIs to create hyper-personalized, emotionally resonant engagement journeys. Programs can now dynamically tailor rewards based on behavioral data, predict churn, and integrate seamlessly with mobile apps, e-commerce, and CDPs.

This shift also reflects a move from external dependency to in-house orchestration, with brands gaining strategic control over customer experience.

How Technology is Powering Modern Loyalty Programs Today

With the help of advanced technologies available today, loyalty programs have evolved into sophisticated, **technology-driven engagement ecosystems**, leveraging **AI, Blockchain, IoT, and Gamification** to maximize customer retention and brand loyalty.



Flowchart for a technology enabled loyalty program

The journey begins with **AI-powered onboarding**, ensuring seamless enrollment and personalized customer experiences. As customers engage with brands, **AI and IoT track their transactions and behaviors**, offering dynamic, **real-time rewards and personalized offers** based on past interactions. **Blockchain secures loyalty points**, preventing fraud and enabling **interoperable rewards across multiple brands**. Gamification further enhances engagement through **challenges, tiered incentives, and streak-based rewards**, fostering **repeat interactions and deeper emotional connections with the brand**.

Type of Loyalty Program	How It Works	Example
Points-based	Customers earn points per purchase, redeemable for discounts or products	**Tesco Clubcard (UK)** – Shoppers accumulate points that translate into savings
Tiered System	Customers unlock better rewards as they reach higher tiers	**Emirates Skywards (UAE)** – Higher tiers grant exclusive airport perks
Cashback-based	Customers receive a percentage of their spending as cashback	**Commonwealth Bank (Australia)** – Cashback rewards on card purchases
Subscription/Membership Based	Customers pay a fee for premium benefits	**Amazon Prime (Global)** – Paid membership offers exclusive deals and free shipping
Coalition/Partner-based	A network of brands offering shared loyalty benefits	**Nectar (UK)** – Earn and redeem points across Sainsbury's, Esso, and Argos
Gamified System	Uses challenges, streaks, and milestones to drive engagement	**McDonald's Monopoly (Global)** – Players collect digital game pieces for prizes
Value-based	Rewards tied to customer values, such as sustainability or charity	**Patagonia Common Threads (Global)** – Encourages eco-friendly product use

Different types of loyalty programs existing in the market

Loyalty programs have evolved into powerful tools for building lasting customer relationships. Their success lies in **key characteristics that drive engagement, incentivize repeat behavior, and deepen brand affinity** across channels.

Characteristics of Modern Loyalty Programs

Omnichannel Engagement for Real-Time Customer Interaction

Modern loyalty programs leverage omnichannel engagement, enabling brands to interact with customers seamlessly across multiple touchpoints in real time.

High Scalability, Speed and Customization

Modern SaaS powered loyalty programs are lot easier to scale based on the business needs, can be quick due to its digital nature and offers flexibility to customize or modify it real time.

AI-Driven Personalization

Loyalty programs leverage AI and data analytics to offer personalized rewards, recommendations, and promotions based on customer behavior and preferences.

Ecosystem & Cross-Brand Integration

Loyalty programs are evolving beyond single-brand use cases to accommodate broader ecosystems and cross-brand networks. Platforms like Tata Neu exemplify this shift, offering a unified loyalty experience across multiple brands within a conglomerate. This approach not only deepens customer engagement but also amplifies value by connecting rewards across diverse purchase categories.

Decline of Traditional Managed Service Models

The advent of AI agents has led to a shift from traditional, high-touch managed service models to more autonomous, AI-driven customer interactions. These agents can handle complex tasks with minimal human intervention, providing instant assistance and streamlining customer service processes. Forbes AI agents will not only recommend actions, but execute real-time campaigns, optimize reward value, and adjust journeys based on live behavior—making loyalty orchestration intelligent and self-learning.

Adoption of No-Code/Low-Code Platforms to Drive Automation

The emergence of low-code and no-code development platforms empowers business users, or "citizen developers," to create and modify applications without extensive coding knowledge. This democratization of application development accelerates the deployment of customer engagement solutions, allowing for rapid adaptation to market changes and customer needs. Forbes

Modern Loyalty Programs Adapting to Data Privacy and Trust Demands

As data privacy regulations tighten and third-party cookies phase out, modern loyalty programs are evolving to prioritize trust, transparency, and direct data relationships with customers.

- Emphasis on First-, Second-, and Zero-Party Data – Loyalty programs are increasingly crucial for collecting first-party data, providing valuable behavioral and transactional insights from members. Additionally, some programs leverage second-party data through strategic partnerships and incentivize customers to share zero-party data, like preferences and intent, by offering personalized rewards and experiences.
- Responding to Ad-Tech & Privacy Pressures - To maintain consumer trust, loyalty ecosystems are moving away from opaque third-party tracking, focusing instead on building direct, consent-based relationships. Transparency around how AI and algorithms drive personalized offers is becoming essential.

Growing Adoption of Vertical SaaS-Enabled Loyalty Programs

Modern loyalty strategies are increasingly leveraging Vertical SaaS platforms tailored to specific industries - such as retail, healthcare, or QSR. These solutions offer pre-built workflows, domain-specific integrations, and loyalty features aligned with unique sector needs. By aligning closely with industry-specific requirements, Vertical SaaS loyalty programs enable faster deployment, improved customer insights, and higher ROI compared to one-size-fits-all platforms.

The Potential Impact and Benefits of Loyalty Programs on Business

Loyalty programs have evolved into strategic assets for businesses, driving higher customer lifetime value (CLTV), increased spending, deeper engagement, and strong ROI. Well-designed programs go beyond transactional discounts, fostering long-term relationships that translate into sustained revenue growth and brand loyalty.

Increased Customer Spending & Engagement

Loyal customers will spend more per visit and engage with brands more frequently. According to a Snappy's 70% of consumers consider loyalty program offerings a key factor when choosing which companies and brands to engage with. Furthermore, 72% of customers are likely to join a loyalty program before making their first purchase.

ROI of Loyalty Investment

Loyalty programs drive measurable returns through higher retention, repeat purchases, and reduced acquisition costs. According to a Queue.it, a significant majority (90%) of loyalty program owners report a positive ROI, with an average return of 4.8 times their initial investment. For example, Sephora's Beauty Insider loyalty program contributes to 80% of its annual revenue, proving its high ROI on engagement investments.

Increased Average Order Value (AOV) & Upselling Opportunities

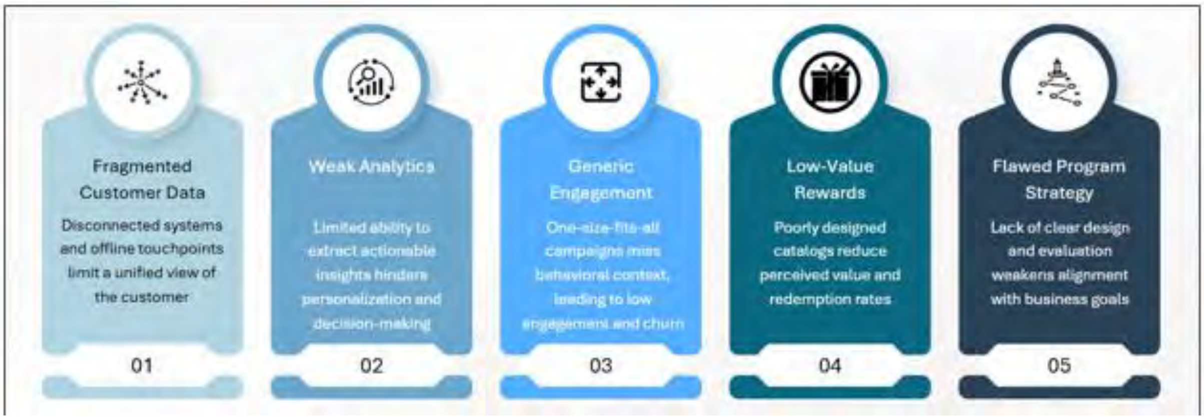
Loyalty programs that offer immediate rewards or tiered benefits can significantly boost customer spending. For example, a study showed that customers in an "Instant Cash" rewards program increased their spending by 68% over two weeks. Similarly, tiered loyalty programs motivate customers to spend more to unlock higher-tier benefits, encouraging continued purchases to access more valuable perks.

Higher Customer Lifetime Value (CLTV) & Brand Loyalty Growth

Loyalty programs directly enhance CLTV by increasing purchase frequency, retention, and basket size. Study by Umbrex indicates that customers enrolled in loyalty programs exhibit a 15% to 40% higher CLTV compared to non-members.

Thus, loyalty programs have emerged as into strategic assets for businesses, driving higher customer lifetime value ("**CLTV**"), increased spending, deeper engagement, and strong return on investment ("**RoI**"). Well-designed programs go beyond transactional discounts, fostering long-term relationships that translate into sustained revenue growth and brand loyalty. As loyalty programs evolve, brands that continuously innovate their value propositions and adopt modern engagement levers increasingly position themselves as trusted product authorities in the eyes of their customers.

Challenges of Traditional Loyalty Programs



In a hyper-competitive world, brands and enterprises find it increasingly difficult to build and maintain loyalty of consumers. The loyalty management space is undergoing significant changes, with brands facing several challenges:

Challenges faced by brands and enterprises within the loyalty space

These challenges highlight the need for robust information technology infrastructure, digitalization, and innovative solutions to meet evolving consumer expectations and company preferences.

Trends Driving Transformation of Loyalty Programs

Incumbents' Adoption of Loyalty Programs

Traditional retailers and service providers across sectors are rapidly adopting or revamping loyalty programs to stay competitive with digital-first and D2C brands. Retailers like **Walmart (Walmart+), Target (Target Circle), and CVS (ExtraCare)** continue to invest heavily in loyalty platforms. Airlines such as **Delta (SkyMiles), United (MileagePlus), and American Airlines (AAdvantage)**, hotel giants like **Marriott (Bonvoy)** and **Hilton (Honors)**, and QSR brands including **Starbucks Rewards** and **McDonald's MyMcDonald's Rewards** have built some of the most successful loyalty programs in the world.

Shift towards Vertical-Focused Solutions

The loyalty landscape is undergoing a marked shift from generic, one-size-fits-all approaches to vertical-specific loyalty solutions. By tailoring program design, rewards, and engagement mechanics to the unique operational realities and consumer behaviors within sectors such as retail, quick-service restaurants (QSR), healthcare, and travel, brands can drive greater resonance and long-term loyalty. This vertical focus enables brands to address nuanced challenges—such as regulatory compliance in healthcare, high-frequency repeat behavior in QSR, or tiered privilege in travel- thereby increasing program effectiveness and stickiness.

Role of Technology in Loyalty Modernization

Loyalty programs have transformed from transactional reward systems into strategic, technology-led enablers of customer lifetime value. The modern loyalty stack is powered by cloud-native architectures, AI-driven personalization engines, and real-time analytics platforms that deliver dynamic, context-aware engagement across channels. Technologies like predictive AI enable real-time analytics such as identifying which consumers are most likely to make a purchase within a defined time period-allowing marketers to proactively shape engagement and drive conversion.

Role of System Integrators

System Integrators play a critical role in ensuring seamless implementation, integration, and scalability. Unlike standalone MarTech platforms, loyalty programs must function within a brand's existing CRM, e-commerce, marketing automation, and data infrastructure. SIs enable this by bridging technology gaps, standardizing deployments, and ensuring interoperability across systems.

Why SIs Are Crucial for Loyalty Management

Technical Expertise

Domain Expertise in Seamless Integration with Enterprise Systems

Loyalty platforms need to connect with **CRM, ERP, e-commerce, and customer data platforms (CDPs) to ensure** unified experience.

Fraud Prevention & Security

System integrators bring expertise in seamless blockchain implementation, multi-system authentication, and real-time fraud monitoring, ensuring tamper-proof, secure loyalty transactions. Their ability to integrate blockchain with existing CRM, POS, and payment systems strengthens fraud prevention and enhances trust in loyalty ecosystems.

Cross-Brand & Multi-Region Implementation

For global brands, SIs standardize loyalty program deployments across multiple markets while ensuring compliance with regulations (GDPR, CCPA)

Loyalty Market Consolidation accelerated through M&A

The loyalty industry is undergoing a marked phase of consolidation, driven by its highly fragmented structure and an urgent need for technological modernization. The smaller vendors often lack the necessary scale, capital, and talent to transition to modern, cloud-native architectures, leaving them ill-equipped to address the growing complexity and personalization demands of enterprise customers. Key factors influencing this trend include:

- **Fragmented Market with Niche Players**: Numerous small to mid-sized companies have cultivated dedicated customer bases within the loyalty sector, However, their limited resources often hinder their ability to invest in modernizing platforms.
- **Technological Obsolescence and Investment Constraints**: Many of these smaller firms operate on outdated systems and lack the capital necessary for essential technological upgrades, making them prime candidates for acquisition by larger entities seeking to enhance their service offerings.
- **Mutual Benefits of Consolidation**: Acquisitions enable smaller companies to access advanced technologies and broader networks, while larger corporations expand their client portfolios and market presence, fostering rapid inorganic growth.

Notable Industry Acquisitions

- In February 2025, **Enigmatic Smile**, a rewards and loyalty software company, **acquired Lux Rewards**, a UK-based loyalty platform enabling businesses to offer card-linked rewards, at an "eight-figure valuation". This acquisition is part of Enigmatic Smile's strategy to consolidate the payments-linked rewards industry.

- In 2023, **Capillary Technologies**, a global customer loyalty and engagement SaaS platform, acquired Texas-headquartered **Brierley+Partners**, a globally recognized leader in loyalty technology, strategy, and execution. Post-acquisition, Capillary reported a 3.5x growth in the U.S. market over three years, attributing this surge to both organic growth and strategic acquisitions.
- In June 2023, **Capillary Technologies** acquired **Tenerity's Digital Connect**, enhancing its intelligent loyalty platform with a powerful rewards network. This acquisition further propelled Capillary Technologies' foothold in the U.S. and European markets and enhanced the brand's recognition as a global leader in loyalty and engagement technology solutions.
- In 2019, **Oracle acquired CrowdTwist**, the leading cloud-native customer loyalty solution to empower brands to offer personalized customer experiences. The solution offers over 100 out-of-the-box engagement paths, providing rapid time-to-value for marketers to develop a more complete view of the customer.
- **Bond, a major global loyalty** and customer experience firm, acquired **rDialogue** in 2021, a U.S.-based loyalty strategy consultancy. This acquisition bolstered Bond's expertise in strategic advisory services to help brands strengthen relationships and optimize the customer journey across all human and digital touchpoints.
- In 2021, Customer relationship management company **Merkle acquired LiveArea**, a global commerce services provider, to expand its experience-led commerce capabilities. This acquisition enriched Merkle's end-to-end personalization and loyalty offerings, allowing for more integrated and seamless customer experiences.

Case Studies of Loyalty Programs across Industries and Regions

North America

Industry	Company	Type of Loyalty Program	Challenges	Description	Benefits Realized by Companies
Retail Goods	**Target**	Points-Based	• Rising customer churn • Need for deeper engagement and brand affinity • Competitive retail market	**Target Circle** offers members 1% cashback on purchases, personalized deals, and early access to promotions. Customers can also vote on Target's community giving initiatives	• Target Circle has over **100 million members,** • Increasing customer engagement and brand loyalty while driving repeat purchases
Quick Service Restaurant	**Starbucks**	Points-Based	• Need to retain frequent buyers • Drive digital app usage and direct purchases	Starbucks Rewards offers customers "**stars**" for purchases, redeemable for free drinks and food items	• Starbucks Rewards contributes to **40%+ of total sales** • Boost in frequency of purchases
Energy	**Shell**	Points-Based	• High competition in fuel retail • Low differentiation in pricing	**Fuel Rewards® Program** allows members to earn points on fuel purchases and in-store items, redeemable for discounts	• Connects **25M+ consumers** • Top loyalty program in category • Enhanced retention

List of loyalty programs in North America

EMEA

Industry	Company	Type of Loyalty Program	Challenges	Description	Benefits Realized by Companies
Retail Goods	**Tesco**	Points-Based	• To drive repeat purchases and increase wallet share among regular customers	**Tesco Clubcard** allows customers to earn points on purchases, redeemable for discounts and exclusive offers.	• **20M+ regular users** • Market dominance through customer loyalty
Travel & Hospitality	**Rotana**	Tiered Points-Based	• Compete with OTAs and aggregator platforms • To boost direct bookings and cross-property loyalty	Starbucks Rewards offers customers "**stars**" for purchases, redeemable for free drinks and food items	• **Generated 21.3%** of the company's revenue through member spending, indicating strong customer loyalty
Energy	**BP**	Points-Based	• Need to build regular customer behavior in a commoditized category	**BPme Rewards** enables customers to earn points on fuel and in-store purchases, redeemable for discounts on future purchases	• Increased **customer retention** and **repeat sales** through reward incentives

List of loyalty programs in EMEA

APAC

Industry	Company	Type of Loyalty Program	Challenges	Description	Benefits Realized by Companies
Consumer Packaged Goods	Tata Group	Multi-Brand Point based	• Low customer stickiness • Low average transaction value	**Tata Neu** integrates rewards across Tata brands, allowing customers to earn and redeem points universally	• Improved retention • Increased **average transaction value** through personalized services and previews
Banking, Financial Services, and Insurance	Axis Bank	Points-Based	• Limited differentiation in digital banking • Low product adoption and transaction frequency	**Edge Rewards** allows customers to earn points on banking transactions, redeemable for a variety of rewards	• Encouraged **Increased banking usage** • **Enhanced customer retention**
Travel & Hospitality	Singapore Airlines	Tiered Points-Based	• High customer acquisition costs • Need to reward frequent travelers	**KrisFlyer** allows members to earn miles on flights and everyday spending, redeemable for flights and upgrades.	• Increased **repeat bookings** and **customer retention** through mileage-based tier rewards

List of loyalty programs in APAC

Top Loyalty Programs across Industries and Regions

Industry	Company	Loyalty Program Name	Members	Description/Benefits
Retail Goods	Adidas	AdiClub	• 240 Million+	Access to adidas member's week, a week full of product drops, exclusive experiences, and rewards Products signed by some of the world's biggest athletes
Retail Goods	H&M	H&M Membership	• 200+ million	Early access, member discounts, and free shipping
Travel & Hospitality	Marriott International	Marriott Bonvoy	• 173 Million+	Hotel loyalty program offering points for stays, elite status benefits, and partnerships with airlines
Travel & Hospitality	Hilton Hotels	Hilton Honors	• 158 Million+	Hotel loyalty program offering points for stays, elite status benefits, and partnerships with airlines and car rental companies
Consumer Packaged Goods	Costco	Costco Membership	• 120 Million+	Paid membership offering access to wholesale pricing, exclusive deals, and services.
Retail Goods	Target	Target Circle	• 100 Million+	Free loyalty program offering personalized deals, birthday gifts, and community support voting
Retail Goods	My Bath & Body	My Bath & Body Works Rewards	• 38 Million+	Free products for purchases
Retail Goods	Ulta Beauty	Ultamate Rewards	• 37 Million+	Points-based program offering rewards for purchases, birthday gifts, and exclusive offers
Retail Goods	Starbucks	Starbucks Rewards	• 34 Million+	Points-based program offering free drinks, personalized offers, and app-based ordering
Retail Goods	Sephora	Beauty Insider	• 25 million+	Tiered program providing rewards, birthday gifts, and exclusive events

List of top loyalty programs across industries and regions

Overview of Loyalty Market across Industries

In Retail

Loyal consumers play a pivotal role in driving revenue within the retail goods and services. Some of the unique trends are shaping the whole customer experience as well as loyalty market in retail industry.

Hyper-Personalization through Data Analytics

Retailers are increasingly turning to advanced analytics and AI to personalize loyalty experiences at scale. By tailoring offers and experiences to individual behaviors, retailers are seeing higher engagement and repeat purchases. According to an Accenture study, over 91% of consumers prefer personalized interactions, making it a key driver of loyalty effectiveness.

Seamless Omnichannel Experience

Consumers expect seamless loyalty experiences across online, offline, and mobile touchpoints. As per a Wall Street Journal study, omnichannel shoppers are spending 1.5 times more. This has led to brands integrating loyalty systems that unify customer journeys and ensure consistent recognition across channels.

Gamification enhancing engagement

Game mechanics like milestones, badges, and spin-the-wheel rewards are boosting program participation and emotional loyalty. With Starbucks Rewards loyalty program attributing 40% of revenue to gamified loyalty, brands are tapping into these tactics to drive frequency and cross-category adoption.

Sustainability-Linked Loyalty Initiatives Gaining Popularity

As environmental concerns grow, consumers are favoring brands that demonstrate a commitment to sustainability. Retailers are integrating eco-friendly practices into their loyalty programs, rewarding customers for sustainable behaviors and purchases.

Corporate Reward Programs Fueling Retail Spend Growth

An emerging trend is the rise of corporate-driven rewards and prepaid card solutions which are actively encouraging employees to spend across retail categories. Platforms like Pineperks, Enkash, and Zaggle are driving new retail spend, prompting the need for modular, high-ROI loyalty systems.

In Healthcare

Loyalty programs in healthcare cultivate long-term relationships between providers and patients by offering rewards such as discounts on services, free health screenings, or access to exclusive events. These incentives encourage patients to remain engaged with their healthcare providers, leading to improved retention rates and overall satisfaction.

Personalized Health Incentives

Healthcare loyalty programs are shifting toward individualized rewards that align with patient health goals and behaviors. From personalized coupons to condition-specific milestones, these programs encourage adherence to care plans and healthier lifestyle choices. **CVS's ExtraCare Rewards** and **Aetna's Health Rewards** exemplify how personalization drives sustained engagement and long-term patient loyalty.

Implementation of Diverse Program Structures

Healthcare organizations are adopting flexible loyalty models—from VIP programs offering priority scheduling and exclusive discounts to point-based systems that reward preventive behaviors. These structures increase patient retention and satisfaction, with VIP schemes shown to lift revenue by 15-25% annually. Co-branded initiatives with wellness and retail partners further expand reward ecosystems, enhancing patient stickiness through community-based value.

Loyalty Program's Emphasis on Preventive Care and Wellness

Loyalty strategies now prioritize proactive care. Programs reward patients for participating in screenings, wellness activities, and condition management. Blue365 by Blue Cross and Optum's Engage Platform are leading examples as they offer tailored wellness incentives, lifestyle discounts, and integrated care navigation tools that reduce long-term costs while improving health outcomes.

In Travel & Hospitality

As travelers seek greater flexibility and richer rewards, the industry is responding with powerful cross-sector collaborations that amplify value and deepen engagement. From eco-conscious adventures to curated luxury getaways, these evolving loyalty ecosystems are redefining how brands connect with their customers.

Lifestyle-Centric Loyalty Models

Traditional earn-and-burn systems tied to flights or stays are being replaced by programs offering year-round benefits. Subscription-based models like **eDreams ODIGEO's Prime**, with **7 Million+ members**, reflect this shift—offering always-on discounts that remain valuable even outside travel periods.

Tiered & Personalized Engagement

Programs are embracing AI and data to tailor experiences and introduce personalized tier structures. **Air India's** post-merger loyalty revamp into Maharaja Club, with four tiers and **over 10 Million members**, shows how data-driven personalization boosts reward redemption and customer retention.

Integration of Non-Travel & Co-Branded Rewards

Loyalty is becoming more relevant to daily life through co-branded credit cards and non-travel reward linkages. IndiGo's 6E Rewards program allows members to earn points on groceries, dining, and fuel, expanding utility and frequency of engagement well beyond flights.

Expanding Value through Strategic Partnerships

Hospitality loyalty programs are partnering with **Retail, F&B**, and **fintech** brands to drive engagement and cross-brand stickiness. For example, IndiGo and Swiggy have partnered to integrate **Swiggy's services with IndiGo's BluChip loyalty program**. IndiGo BluChip members can earn 1 BluChip point for every ₹100 spent on Swiggy's platforms, including food delivery, Instamart, and Dineout. IAG Loyalty's **Avios program** lets customers earn points via shopping, credit cards, and dining, redeemable for flights, retail vouchers, etc. This drove a **17% rise** in profits to **USD 352.8 million** and added **4.9 million new members**.

In CPG

With limited access to end-consumer data, CPG brands are using loyalty to gather insights, encourage habitual buying, and foster emotional connections through gamification, marketing, and smart retail partnerships.

Zero-Party Data Collection via Loyalty Touchpoints

Loyalty programs are a critical gateway to consumer insights that retailers typically don't share—such as usage behavior, preferences, and lifestyle choices. **P&G's "Good Everyday**" program, for example, incentivizes surveys, receipt scans, and content interaction across **60+ product lines** to build rich first-party data at scale.

Subscription-Based Loyalty Models

Subscription-based loyalty, especially in personal care and nutrition, drives recurring revenue and retention. These programs offer tiered perks like early access, custom bundles, and replenishment discounts. A report by Queue.it said **37% of consumers** will spend more money with brands with which they have a retail subscription, as will **28% of consumers belonging to membership** programs, and **27% of loyalty program** members.

Retailer-Integrated, Brand-Driven Loyalty Hybrid Programs

CPG loyalty is evolving from being retailer-dependent to brand-owned with strategic retailer collaboration. Programs are increasingly integrated across physical and digital retail networks while keeping the brand front and center in the engagement loop. **Nestlé's Purina** integrates with Walmart and PetSmart to let customers earn rewards while keeping the brand at the forefront. **Pidilite** drives dealer engagement through its gamified Genie app, **Polycab** targets electricians with its 'Bandhan' loyalty program.

In QSR

In the QSR industry, where customer frequency and brand preference drive revenue, loyalty programs have evolved into powerful engines of engagement and growth.

Strong focus on frictionless digital experiences

QSRs are prioritizing seamless digital experiences—integrating rewards directly into apps, kiosks, and drive-thru systems. Whether it's instant redemption via a code at Dairy Queen or flexible earn-and-redeem options like McDonald's and Domino's, the goal is to reduce friction and boost satisfaction across all touchpoints.

Zeroing in on Community Building and Emotional Engagement

Modern QSR loyalty strategies go beyond discounts—focusing on building emotional bonds through brand-aligned values and community-driven experiences. Whether through surprise-and-delight moments, birthday treats, or experiential rewards, programs are becoming platforms for emotional resonance, not just rational benefits.

The Rise of Gamification & Engagement Strategies

Loyalty programs are moving beyond transactions to become interactive. Weekly challenges, streak bonuses, and surprise rewards are encouraging higher engagement. Campaigns like Chick-fil-A's "Code Moo" and tier missions add playfulness and make loyalty fun, driving stronger behavioral loyalty.

Inclusive Omnichannel Flexibility

While digital is the future, loyalty must be inclusive. Successful programs, like Carrabba's, offer hybrid options—allowing customers to engage using their preferred method, even offline. Flexibility to engage via mobile, web, or in-store without barriers is essential to sustaining broad-based participation.

In BFSI

Customer loyalty management in the Banking, Financial Services, and Insurance (BFSI) sector is crucial for fostering long-term relationships and maintaining a competitive edge. Effective loyalty strategies not only enhance customer retention but also drive growth by encouraging repeat business and increasing lifetime customer value.

Modernization of Legacy Loyalty Infrastructure

With digital transformation accelerating, legacy loyalty platforms are being replaced with modular, cloud-native solutions. These new platforms offer phased rollouts, agile integrations, and real-time engagement—enabling BFSI firms to evolve without disrupting regulatory or operational frameworks.

Rise of Secure, Compliant, and Scalable Architecture

Operating under strict regulatory regimes like GDPR, BFSI firms require loyalty platforms that ensure full compliance, consent management, and secure data handling. Modern systems provide audit-ready data flows, privacy control, and seamless integration with fraud detection and payment systems.

Expansion of reward and redemption option

Financial institutions are expanding reward catalogs to include travel, wellness, fitness, and daily-use benefits—responding to **77% of banking customers** who expect loyalty recognition. From credit card perks to insurer-linked discounts, rewards are now designed to complement everyday life, not just financial services.

Emphasis on Hyper-Personalization in Banking and Insurance

Banks and insurers are leveraging advanced analytics to deliver **tailored offers, personalized messaging, and behavior-based benefits**. Hyper-personalized journeys not only boost relevance but also deepen emotional loyalty in a market where products are otherwise commoditized.

Insurance as a Loyalty-Driven Growth Engine

The insurance sector, with high switching costs and embedded trust factors, is doubling down on loyalty. **Digital policy issuance, flexible coverage, and reward-linked behavior** (like fitness-based premium discounts) are helping insurers drive long-term engagement and renewal intent. Insurance is inherently sticky—once a customer signs up, switching costs and trust factors drive long-term loyalty.

In Energy

As consumer expectations evolve, fuel retailers are adopting innovative strategies to differentiate themselves and provide added value.

Shift towards Experience-Based rewards

Fuel brands are shifting from product-based rewards to experiential benefits that elevate brand perception—like priority access, exclusive deals, or digital service subscriptions. For example, BP's loyalty program rewards customers per liter and per in-store purchase, allowing redemption on fuel or brand vouchers (e.g., Amazon, M&S). Onboarded over **1 million members** in the UK within a year of launch.

Strategic Partnerships for Cross-Redemption

Fuel retailers are extending loyalty benefits via partnerships with lifestyle brands, QSRs, and banks. UAE's ADNOC Rewards allows redemption across fuel, car washes, and retail partners—turning fuel brands into ecosystem hubs and increasing wallet share across categories. This has in turn become one of the **largest integrated fuel loyalty ecosystems in the Middle East**.

Sustainability and Behaviour-First Incentives

Eco-conscious rewards like EV charging credits and carbon offset points are becoming mainstream. Programs from **Shell** and **Chevron** highlight this shift, as energy brands align loyalty with responsible usage and behavior nudges, creating brand affinity beyond price or convenience.

Mobile-First Omnichannel Loyalty Infrastructure

Fuel loyalty programs are built on seamless mobile-first platforms integrated with POS systems, fleet cards, and digital payment interfaces. These unified ecosystems support both retail and commercial users, enabling real-time point tracking, in-app transactions, and differentiated rewards based on customer type and interaction channel—ensuring a frictionless, high-utility experience across fuel and non-fuel touchpoints.

In Conglomerate/Multi-Brands

Conglomerates are increasingly adopting unified loyalty platforms that span multiple brands, enabling customers to earn and redeem rewards across various products and services. This approach not only enhances customer convenience but also fosters deeper brand engagement

Unified Programs to Drive Cross-Spend

Group-wide loyalty platforms enable customers to earn and redeem rewards across categories like fashion, groceries, and electronics—driving frequency, higher spend, and deeper engagement. Programs like Starbucks Rewards, where members contribute **60% of sales**, illustrate this impact. At the same time, shared infrastructure lowers entry barriers for smaller brands within the group, allowing them to participate in a broader rewards ecosystem, gain visibility, and attract new consumers without the cost of running standalone programs.

Strategic Partnerships and Coalition Programs

Conglomerates are forming coalitions with third-party brands to broaden the loyalty footprint. An example is the partnership between Hilton Honors and various resorts, increasing the number of participating locations from 584 to 5,900, thereby offering members more opportunities to earn and redeem points.

ADDRESSABLE MARKET FOR LOYALTY MANAGEMENT PROGRAMS

Methodology and approach for Total Addressable Market (TAM) and Serviceable Addressable Market (SAM)

The estimated TAM for loyalty management is derived using the following methodology.

Market size for target industries in NA, APAC, and EMEA

Assessment of market size of industry verticals from 2022-2026.

- Retail – Food & Beverages, Home Furniture, e-Commerce, Grocery, Consumer Electronics, Fashion & Apparel, Pharmacy & Wellness, Luxury & Jewellery, Convenience Stores.
- Quick Service Restaurants (QSR).
- Travel & Hospitality – Travel & Tourism and Hospitality.
- Consumer Packaged Goods (CPG)
- Energy
- Banking and Financial Services
- Healthcare

TAM Estimation

Step 1: Determining Global Market Size for the Industry

The first step involved identifying the Global Market Size for each of the 7 industries (e.g., Retail, Travel & Hospitality, QSR, etc.).

Step 2: Segmenting the Market by Region

The global market size was then broken down into regional markets based on the share of each region (NA, EMEA, and APAC)

Step 3: Applying the Penetration Rate for the Organized Market

The Penetration Rate for the organized market was applied, which reflected the proportion of the market that was organized and formalized (where loyalty management systems are relevant)

Step 4: Calculating Spend on Loyalty

We derived the annual loyalty spend as a percentage of revenue based on survey responses, where participants indicated the proportion of their revenue allocated to loyalty programs

Step 5: Aggregating Across Regions

The spend on loyalty management for each region (APAC, NA, and EMEA) was aggregated to arrive at the Global Spend on Loyalty Management for each industry

Step 6: Applying Growth Rate (CAGR) for Future Years

To estimate the future TAM for loyalty management, the CAGR (Compound Annual Growth Rate) was applied to the Global Spend on Loyalty Management for each region, projecting the TAM for subsequent years (2025, 2026, etc.)

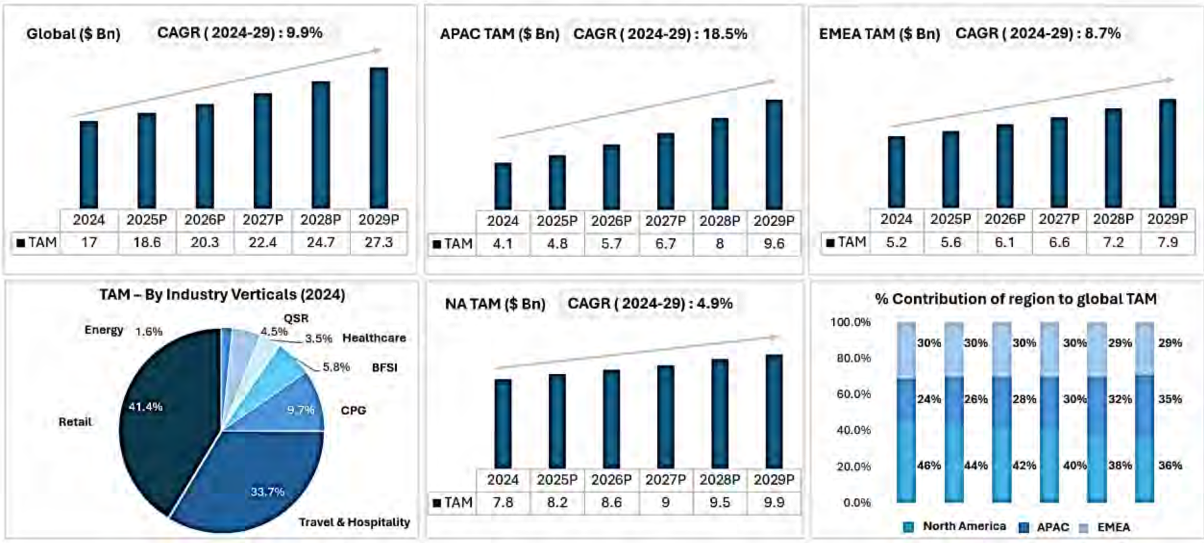
TAM = Summation of TAM for different industry verticals, calculated as **(Market Size of the industry X Current Penetration * % of Revenue spent on Loyalty Management)**

North America TAM = US TAM + Canada TAM + Mexico TAM

APAC TAM = Asia Pacific TAM

EMEA TAM = Europe TAM + Middle East TAM + Africa TAM

The overall global market is projected to grow at 9.9% in the next five years and North America holds the largest market share, followed by Asia-Pacific and Europe

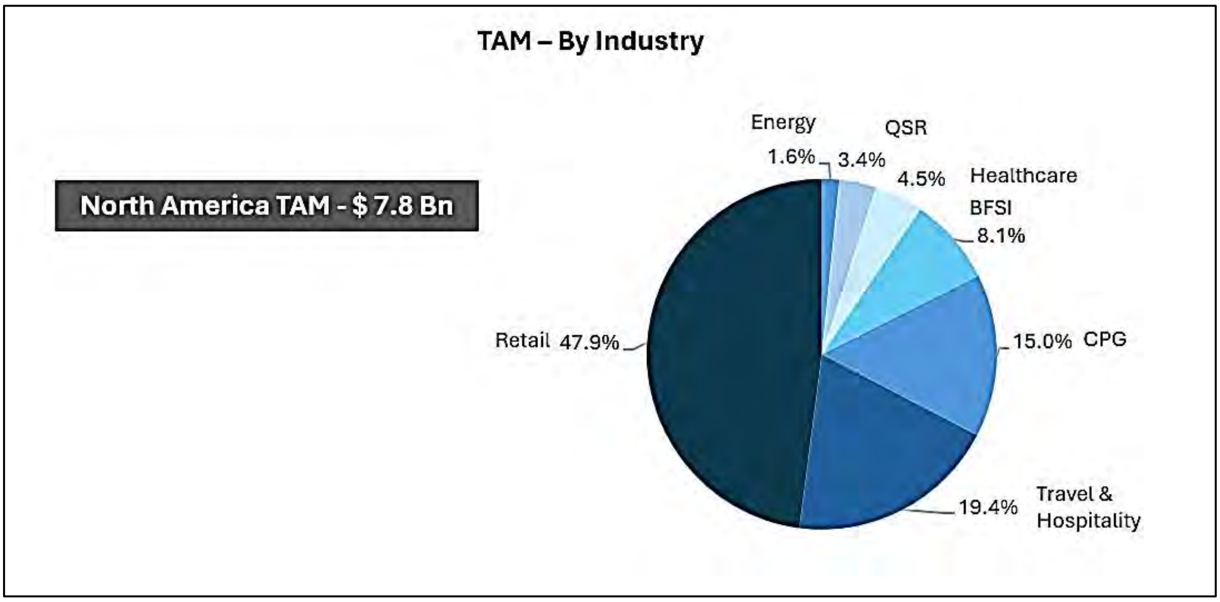


Global Saas TAM by Geography for the period 2024-29

The total addressable market size for loyalty management is estimated to be **USD 17 Billion** in **Fiscal 2024** and is expected to reach **USD 27.3 Billion** by **Fiscal 2029**, projecting a growth rate of **9.9%**, with all the regions across the globe registering a growth rate of **more than 5%** from years **2024-2029**, with **Asia-pacific region** projecting a significant growth rate of 18.5% from years 2024-2029. North America holds the largest market share, followed by Europe and Asia-pacific

The nature of the loyalty market is characterized by its vast and diverse consumer base, with India and Asia alone constituting a 4 billion consumer market. In contrast, the US, despite having a smaller number of consumers, has a highly mature and well-recognized loyalty market. Given the global nature of loyalty, companies aiming to address these markets must establish a global physical presence to effectively manage and deliver loyalty programs. The total addressable market ("**TAM**") for loyalty management for industry segments such as retail, travel and hospitality and CPG is estimated at 41.4%. 33.7% and 9.7%, respectively, in Fiscal 2024

Capillary Technologies has an addressable opportunity of more than U.S.D 7.8 Billion in the North America region

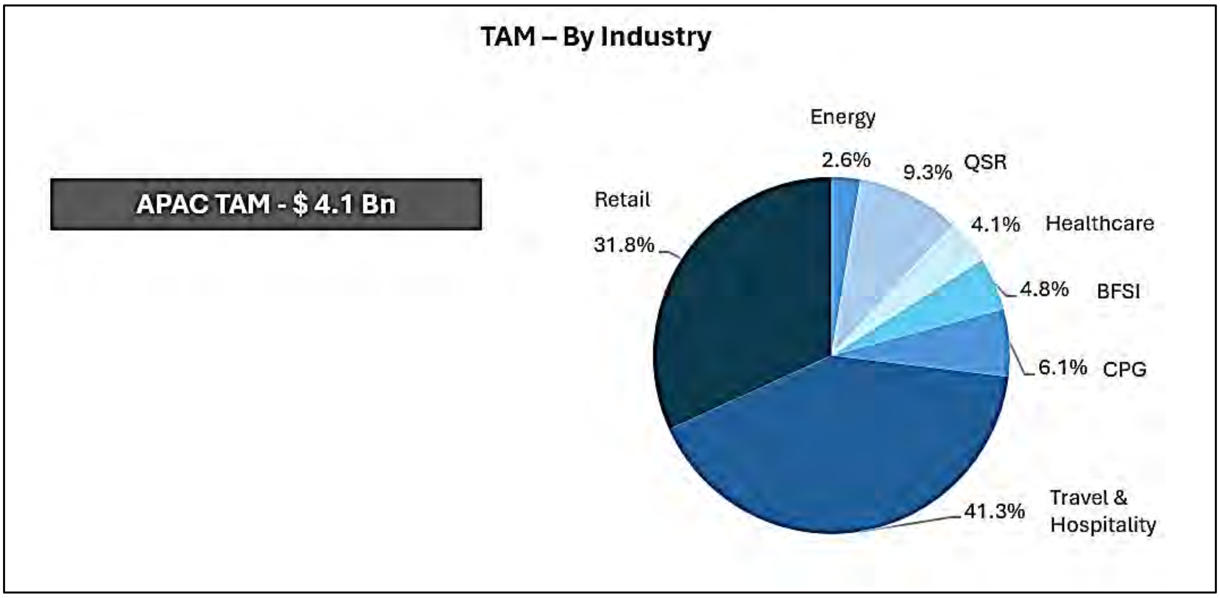


Capillary's addressable opportunity in North America by Industry

The total addressable market size for loyalty management in **North America is estimated to be U.S.D 7.8 Billion in 2024 and is expected to reach U.S.D 9.9 Billion by 2029 projecting growth rate of 4.9%. North America**

accounts for the largest share of the market in 2024. North America is home to developed economies such as the US and Canada, which are known for aggressive adoption of the latest and advanced technologies, such as AI, cloud computing, and data analytics.

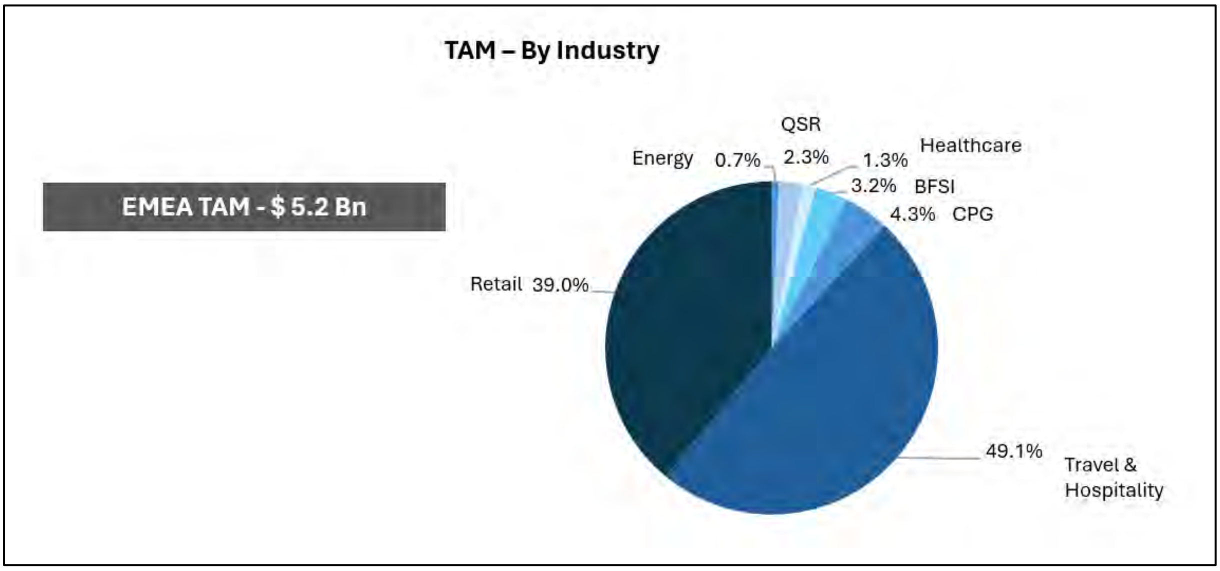
Capillary Technologies has an addressable opportunity of U.S.D 4.1 Billion in the APAC region



Capillary's addressable opportunity in APAC by Industry

The total addressable market size for loyalty management in **APAC is estimated to be U.S.D 4.1 Billion in 2024 and is expected to reach U.S.D 9.6 Billion by 2029, projecting a significant growth rate of 18.5% during 2024-2029**. Growing social media usage, increasing internet penetration, and the expanding e-Commerce industry are some of the major factors driving the adoption of loyalty programs in South-east Asia. Retailers in the region are extensively adopting loyalty management software and embarking on various efforts to improve brand loyalty and encouraging repeat purchases. Capillary Technologies intends to leverage on the significant opportunity in the region, as mid-market brands face challenges building and scaling their own businesses.

Capillary Technologies has an addressable opportunity of more than U.S.D 5.2 Billion in the EMEA region



Capillary's addressable opportunity in EMEA by Industry

The total addressable market size for loyalty management in **EMEA is estimated to be U.S.D 5.2 Billion in 2024 and is expected to reach U.S.D 7.9 Billion by 2029, projecting a growth rate of 8.7%**. Changing end-user demographics, growing expenditure on loyalty programs, rapid growth in the applications of AI and analytics, and appreciation for online reward management solutions are adding to the loyalty market growth.

There is an untapped potential in the enterprise market in **Asia-Pacific, EMEA** and the **North American** regions, projecting a significant growth rate of **18.5%, 8.7%** and **4.9%**, respectively from years 2024 to 2029.

UNDERSTANDING THE EVOLVING SAAS LANDSCAPE

Software as a Service (SaaS) is a cloud-based delivery model that allows enterprises to access applications over the internet without requiring on-premises installations. Instead of purchasing and maintaining software on local servers, businesses subscribe to SaaS platforms, which are hosted and managed by third-party providers.

Key Drivers of SaaS Adoption

Drivers for Global SaaS adoption

Over the past decade, SaaS has become the default model for enterprise software across industries. The appeal is straightforward — **lower upfront investment, faster deployment, regular updates, enhanced security, and minimal IT overhead**. Businesses increasingly demand solutions that support distributed workforces, automate workflows, and scale with business growth.

- **Cost Efficiency and Predictable Spending**: SaaS eliminates the need for significant upfront investments in hardware and software. Its subscription-based model allows businesses to manage budgets effectively, making it especially attractive for startups and SMEs seeking to optimize their IT expenditures.
- **Rapid Deployment and Seamless Updates**: Unlike traditional software that requires extensive setup, SaaS solutions can be quickly implemented. Providers handle maintenance and updates, ensuring that businesses always operate with the latest features without additional downtime or IT intervention.
- **Scalability and Flexibility**: SaaS platforms offer the ability to scale services up or down based on demand. This flexibility supports business growth and seasonal fluctuations without the need for significant infrastructure changes.
- **Enhanced Accessibility and Collaboration**: Being cloud-based, SaaS applications can be accessed from anywhere with an internet connection. This facilitates remote work and real-time collaboration among distributed teams, aligning with the modern workforce's needs.

Characteristics of SaaS Platforms

SaaS platforms are defined by a set of structural advantages that drive scalability, customer retention, and capital efficiency. While some metrics remain under-reported in the Indian context, key characteristics are consistently observed across global and domestic players:

- **Recurring revenue streams** ensure predictable cash flows and long-term financial visibility.
- **High customer stickiness**, driven by upsell and cross-sell motions, contributes to strong Net Revenue Retention (NRR).
- **Rapid growth trajectories** are supported by rising digital adoption and global market access.
- **Efficient payback cycles** help optimize customer acquisition spend and reinvestment velocity.
- **Sustained R&D investments** fuel continuous product innovation and competitive differentiation.

R&D is critical for SaaS companies because it drives innovation, improves product quality, enhances user experience, and ultimately helps achieve competitive advantage and sustainable growth, hence making R&D a necessary on-going and strategic activity. By investing in R&D, SaaS companies develop new features, explore emerging technologies, address industry specific challenges and constantly evolving market needs. This activity involves developing new products, integrating new technologies and building advanced functionalities.

It is crucial to maintain high **cost-efficiency levels**, especially around product development and R&D. Leading global SaaS companies like **Adobe (18.3%), Salesforce (14.5%)**, and **Microsoft (11.7%)** invest a considerable portion of their revenue in R&D to maintain product leadership. The **weighted average R&D spend across top global SaaS companies**, namely Adobe, Salesforce, Microsoft, Oracle, ServiceNow, Intuit, SAP, Workday, and Atlassian **is approximately 14.7% of revenue**, underlining the scale of investment required for sustained innovation.

There has also been a notable increase of **7.1% YoY** in the aforementioned top global SaaS companies' engineering costs from Fiscal 2023 to Fiscal 2024. This uptick signals a strong commitment to enhancing product capabilities, accelerating innovation cycles, and staying ahead in an increasingly competitive market. The focus on R&D underscores the industry's shift toward building more intelligent, scalable, and customer-centric solutions.

India's Rising SaaS Advantage

India has evolved from being a global delivery center to a hub for SaaS product innovation. What sets India apart is a combination of factors: a deep and affordable engineering talent pool, strong founder ambition, and increasing maturity in product design and global GTM strategies. Indian SaaS companies are **building high-quality products at significantly lower operating costs**, allowing them to serve global markets at competitive price points without compromising on quality and functionality.

India-to-the-World: Built for Global, Delivered from India

The current wave of Indian SaaS companies is built for global markets, not just local relevance. These startups are solving deep pain points across horizontals like ERP and workflow management, as well as verticals like travel, logistics, and fintech. The success stories are compelling:

- **Freshworks** – IT and customer support SaaS provider.
- **Postman** – API lifecycle management, now a global DevTool of choice.
- **MapMyIndia** – Geospatial platform powering digital maps, navigation, and IoT solutions for enterprises and governments.
- **Zoho** – Full-suite enterprise SaaS with global user base.
- **RateGain** – Travel-tech SaaS serving global airlines and hotel chains

Indian SaaS players are increasingly adopting a **"Built-for-the-World"** approach, designing products from day one to serve global users across industries and geographies. These companies are prioritizing **multi-tenant, API-first platforms**, building for **scale, localization, and compliance** from the outset. With **lean, digital-first sales engines**, they are able to acquire and support customers remotely, often without a large on-ground presence.

Global SaaS Market Size

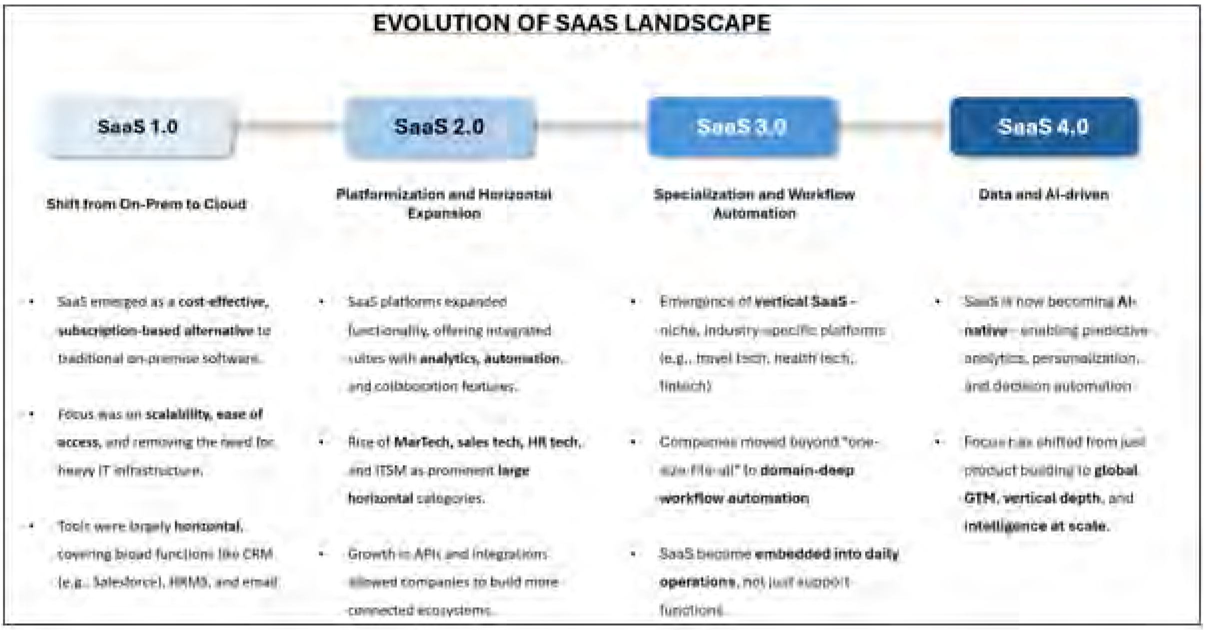
From 2024 to 2029, the SaaS market is projected to grow nearly 2.5X, highlighting the sector's sustained momentum. With a CAGR of 20% from 2019 to 2023, the market expansion underscores the increasing reliance on SaaS for operational agility, scalability, and digital transformation.

Global Saas Market Size for the period 2021-2029

Source : Zinnov Chiratae report on 'India SaaSonomics: Navigating Growth and Efficiency'; The total market size is represented as the total Indian SaaS revenues.

Evolution of SaaS

From being seen primarily as a cost-efficient alternative to on-premise software, SaaS has evolved into a powerful enabler of business transformation. What began as a shift to **subscription-based models** has now matured into a diverse ecosystem of platforms driving **automation, personalization, and agility** across every industry.



Today's SaaS is no longer monolithic — it's modular, API-driven, and deeply embedded into core workflows. A standout trend in this evolution has been the rise of **India-to-the-world SaaS players** like **MapMyIndia, Zoho, and Postman**, who have built globally competitive products rooted in cost advantage, engineering depth, and GTM innovation.

Evolution of SaaS maturity ; The SaaS evolution illustrated above is indicative and highlights broad industry trends over time. Timelines and phases may overlap depending on regional maturity and sector-specific dynamics.

A notable trend in the SaaS landscape is the increasing adoption of **vertical-focused, niche platforms** that address specific marketing functions. In the MarTech space, this shift is reflected in the evolution from broad, integrated suites to specialized solutions such as **loyalty management systems, customer data platforms (CDPs), engagement automation tools, and personalization engines**. These offerings are gaining momentum as organizations seek to **automate marketing workflows**, minimize manual intervention, and deliver **data-driven, personalized customer experiences**.

This transition is further supported by the growing preference for **modular, API-first architectures** that integrate seamlessly with existing enterprise systems. These solutions enable faster deployment, targeted functionality, and improved adaptability to business needs. As marketing teams prioritize **measurable outcomes, operational efficiency, and scalable engagement strategies**, niche platforms are emerging as viable alternatives to traditional, all-encompassing MarTech suites.

The SaaS-Led Transformation of Customer Engagement & Loyalty

The evolution of CRM and loyalty solutions has transitioned from traditional, heavily customized, agency-led models to modern, automated, scalable, and data-driven SaaS approaches.

Expansion of Omnichannel Engagement Strategies

SaaS platforms are facilitating seamless interactions across physical stores, mobile apps, websites, and social media, ensuring consistent and personalized engagement that meets customers where they are.

Adoption of Subscription-Based Loyalty Models

Subscription-based loyalty programs are gaining traction as businesses seek to provide continuous value and foster deeper customer relationships. These models offer predictable revenue streams and enhance customer lifetime value by delivering personalized, ongoing benefits.

Rise of hybrid SaaS models as the best of both vertical and horizontal worlds

As the customer engagement and loyalty landscape matures, **SaaS players are evolving beyond traditional models**, embracing **hybrid strategies** that combine the scale of horizontal solutions with the depth of vertical specialization. This dual approach allows platforms to serve **cross-industry loyalty needs** while still offering **deep, domain-specific capabilities**.

Salesforce, Atlassian, Slack, Comarch, and Capillary Technologies are strong examples of hybrid SaaS companies that combine the broad applicability of horizontal platforms with the depth of vertical solutions—offering core functionalities that scale across industries, while also providing **tailored features** and **integrations** to meet the specific needs of sectors like retail, healthcare, finance, and travel

Why is Hybrid SaaS the Future?

Horizontal Scalability for Broad Reach

Hybrid SaaS platforms offer core functionalities—such as campaign management, analytics, and omnichannel execution—that are applicable across various industries. This horizontal scalability allows businesses to deploy solutions rapidly and cost-effectively.

Vertical Specialization for Contextual Relevance

Beyond core features, hybrid SaaS platforms provide industry-specific modules tailored to the unique requirements of sectors like retail, healthcare, finance, and travel. For instance, Salesforce's specialized healthcare offering via Agentforce comes pre-built with industry specific roles built on healthcare industry data.

Hybrid SaaS platforms are well-positioned to succeed in the loyalty-tech domain:

Modular, API-First Deployment

Hybrid SaaS platforms are designed with modular architectures and API-first approaches, facilitating seamless integration with existing systems. This design enables quick, low-code implementations across diverse industries, reducing onboarding time and opening up cross-vertical monetization opportunities.

Expanded TAM with Customization at Scale

By supporting diverse use cases—such as rewards in retail or wallets in fintech—through a shared core, hybrid SaaS platforms allow for tailored front-end features. This flexibility enhances relevance and market reach, enabling businesses to cater to a broader audience without compromising on specificity.

Superior Customer Experience & Engagement

Leveraging real-time insights and omnichannel orchestration, hybrid SaaS platforms deliver personalized loyalty journeys. This personalization drives deeper customer connections and higher program ROI.

Faster Go-to-Market with Reusable Components

Shared backend capabilities, such as rewards engines and analytics, reduce development time and accelerate rollout. This efficiency ensures flexibility and allows businesses to respond swiftly to market demands.

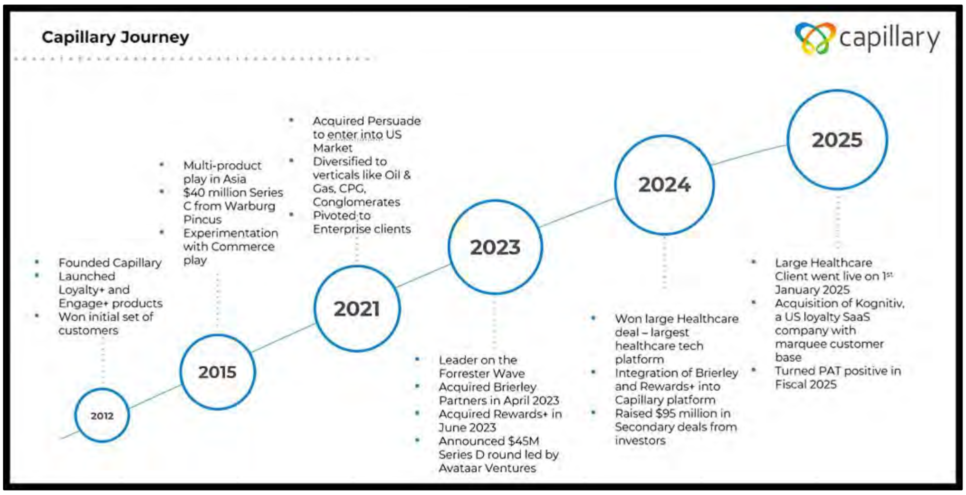
High Stickiness & Retention

Deep integrations into customer touchpoints—like apps, POS systems, and CRMs—increase switching costs and foster long-term loyalty through continuous value delivery.

OVERVIEW OF CAPILLARY TECHNOLOGIES

About the Company

Capillary Technologies, established in 2012 and headquartered in Bengaluru, India, is a software product company offering artificial intelligence ("**AI**")-based cloud-native Software-as-a-Service ("**SaaS**") products and solutions to large enterprise customers globally to develop loyalty of their consumers and channel partners. They are a differentiated Hybrid SaaS platform that combines vertical depth through industry-specific solutions with horizontal scalability across sectors, enabling it to deliver tailored loyalty and engagement offerings. They provide a comprehensive set of AI-led SaaS products for customer relationship management ("**CRM**") and the loyalty management industry. With a decade-long track record, they have established themselves as a leader in the global loyalty solutions industry in terms of email marketing tools, marketing automation platforms, loyalty solutions, rewards programs, account-based marketing tool ("**ABM**"), customer support tools, CDP, CRM and analytics / business intelligence tools in Fiscal 2025.



The company's end-to-end **horizontal loyalty solutions**, include a loyalty management platform (Loyalty+), an engagement platform (Engage+), an analytics platform (Insights+), a rewards management platform (Rewards+), and a Customer Data Platform. Their platform offers competitive implementation speed, which serves as a key differentiator and adds value for customers. They also provide a 360° consumer view, and personalized omni-channel experiences that drive engagement and conversions. They also offer **vertical-specific solutions** tailored to sectors including various Retail segments, Consumer Packaged Goods (CPG), Airlines, Hospitality, BFSI, and Fuel Retail. These industry-specific modules, built on a modern technology stack with AI and machine learning (ML), help businesses leverage existing infrastructure to identify and engage consumers across multiple channels.

Journey of Capillary Business Strategies and Initiatives; Source : Capillary Investor Report

Capillary Technologies serves over 390+ brands including a rising base of Fortune 500 clients and engages with more than 1.2 billion consumers through its platform, powering **500+ loyalty programs** and enabling 124,000 customer touchpoints. Their platform is proven to handle a large volume of transactions and dynamic swings in usage thus garnering a significant client base including Fortune 500 companies The company employs over 650 professionals globally, with 13 offices worldwide. Notable clients include Aditya Birla Fashion and Retail Limited ("**ABFRL**"), Abbott Laboratories (Singapore) Private Limited ("**Abbott**"), Tata Digital Private Limited ("Tata Digital"), Frontier Communications etc. Their expertise, advanced technology, and ability to deliver measurable business impact have enabled a significant client base including Fortune 500 companies across industries. Unlike traditional solutions that focus on isolated aspects of loyalty, the Capillary platform provides an integrated approach that combines customer data, advanced analytics, and AI-driven engagement. They have built an ecosystem that drives consumer loyalty and satisfaction. The scale of their operations, coupled with brand trust, have contributed to their positioning as a loyalty partner for enterprises globally.

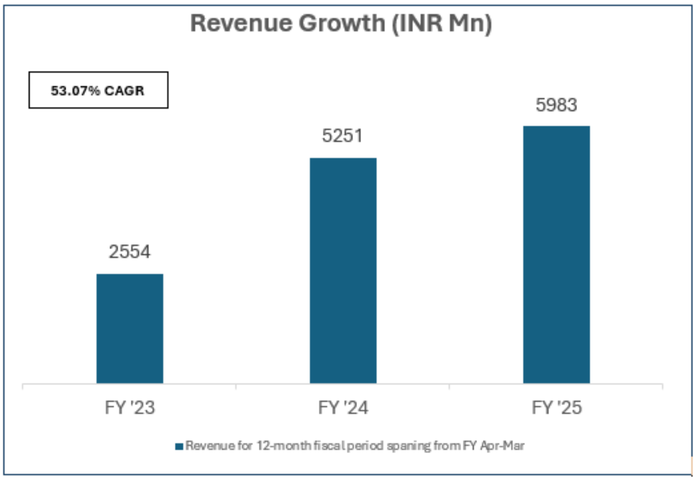
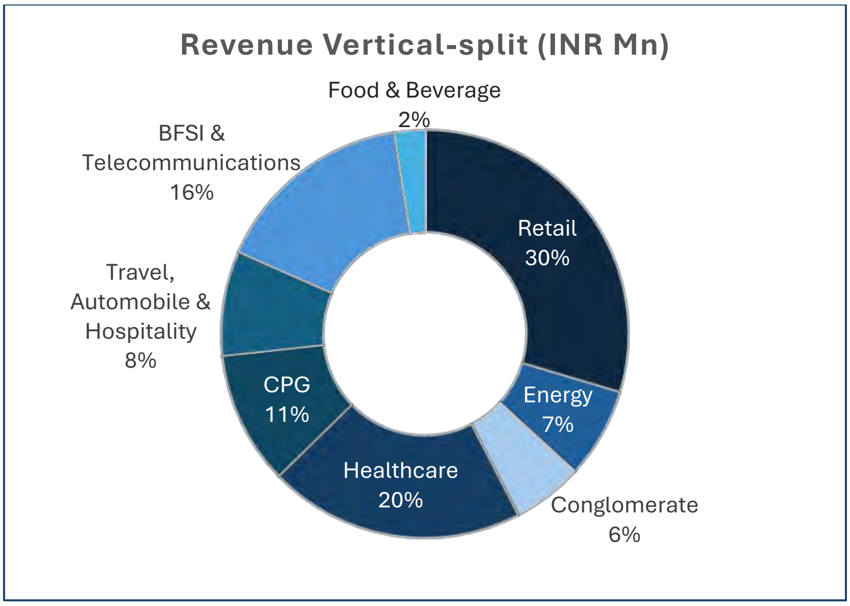


Fig 29: Revenue Growth from FY'23 to FY'25; Source: Capillary Website, annual reports, press releases



Split of Revenue by vertical of Capillary Technologies; Source: Capillary Website, annual reports, press releases

Product And Service Offerings

Capillary Technologies offers solutions for customer engagement, loyalty management, and data analytics. These products help businesses improve customer interactions, personalize experiences, and enhance retention across multiple channels.

Product Offerings:

Capillary Loyalty+

An AI-powered loyalty program management platform that enables brands to drive customer advocacy through personalized loyalty programs. It includes capabilities such as Loyalty Nudges, an Incentives Manager for customizable rewards, a Program Manager for personalized customer journeys, and advanced templates for various loyalty models. Additionally, it supports gamification features to drive customer engagement and retention.

Capillary Engage+

An AI-powered omnichannel marketing automation platform that helps businesses enhance marketing effectiveness and customer engagement through end-to-end campaign management. It offers capabilities such as AI-driven personalization to optimize channel selection and messaging, personalized omnichannel promotions, and lifecycle journey management to build customer relationships through tailored, communications across digital channels.

Capillary Insights+

A retail analytics platform that provides customer insights through data analytics, enabling businesses to understand the impact of loyalty and optimize marketing strategies. It offers capabilities such as advanced customer segmentation, propensity modeling for refined targeting, and AI-driven recommendations for the next best actions to improve engagement and marketing outcomes

Capillary Rewards+

A rewards management and engagement platform that offers a wide range of curated rewards and redemption options, powered by AI and machine learning to deliver personalized experiences. The platform provides seamless omnichannel engagement, advanced analytics, behavioral targeting, and 24/7 support

Capillary CDP+

Their Customer Data Platform (CDP) unifies and enriches customer data, enabling secure integration with other systems and ensuring privacy compliance. It provides a single-view of every customer, AI-driven insights, and supports real-time data updates to enhance engagement through solutions like Loyalty+ and Engage+.

Service Offerings:

Loyalty Program Design and Strategy

Capillary, through Brierley, helps businesses design and optimize customer-centric loyalty programs with program assessment, strategic planning, and implementation support, including rapid evaluations and actionable insights to align with business objectives.

Loyalty Program Assessment

Using the Brierley Loyalty Quotient (BLQ), Capillary evaluates loyalty programs and provides data-driven insights, alongside quick assessments and implementation support to enhance engagement and customer retention

Partnerships & Alliances

Capillary Technologies collaborates with leading technology and solution providers to enhance its customer engagement and loyalty solutions, ensuring seamless integration and expanded capabilities

Technology Partners	Solution Partners
They partner with top companies in CRM, Marketing, Customer Experience and Data to enable easy integration of their loyalty program	They partner across an ecosystem of agency, consultancy and system integrators to help clients with strategy, design, implementation and ongoing services

Partnership details of Capillary Technologies; Source: Capillary Website, reports, press releases

Acquisitions

Capillary Technologies has strategically expanded its global presence and loyalty solution capabilities through targeted acquisitions aligned with a **CAC substitution model**—focusing on acquiring enterprise customer relationships rather than building them solely through traditional sales and marketing. This approach has allowed Capillary to onboard long-standing, high-value clients at a faster and more capital-efficient pace.

Zinnov analysis indicates that **customers acquired through Capillary's acquisitions of Brierley and Kognitiv exhibit average engagement durations of 8 to 11 years.** This finding reinforces the **inherent stickiness of loyalty solution providers**, where deep technical integration, the operational complexity of switching, and the need for continuity in program design and data analytics make vendor transitions rare.

In a fragmented loyalty landscape, where many smaller players deliver short-term value but lack the scale or infrastructure for sustained growth, Capillary's acquisition-led model has positioned it as a long-term partner of choice—backed by durable, enterprise-grade client relationships.

Company	Acquisition Date	Benefits for Acquirer	Benefits for Target
kognitiv	April-2025	Access to target's omnichannel expertise, strengthening position in North America; enhances AI-powered loyalty platform	Platform modernization, sustained commercial continuity, and global market expansion

Acquired the Digital Connect Assets of tenerity	June-2023	Broadened rewards and engagement ecosystem; deeper penetration into U.S. and EU markets.	Platform modernization, tech investment, and sustained commercial continuity
BRIERLEY	April-2023	Deepened presence in the U.S. with strong loyalty strategy and execution capabilities	Operational scale, technology infusion, and entry into emerging markets
PERSUADE	September-2021	Entry into the U.S. loyalty market and expanded loyalty tech stack	Access to global resources, technology stack, and expanded clientele

List of acquisitions made by Capillary Technologies

COMPETITIVE ANALYSIS

While Zinnov identified several industry peers, there are no Indian or Global listed SaaS companies comparable to Capillary Technologies within the loyalty management-focused line of business. Given that there are no standalone SaaS firms globally offering loyalty management solutions—and since loyalty is a subsegment of the broader customer engagement landscape—we have considered listed CRM and customer engagement SaaS companies as proxies. As there are no such firms listed in India, the peer set comprises global players. To provide a comprehensive view of the landscape, players in the space have been segmented into two strategic buckets based on geography, market presence, and focus on loyalty and marketing technology.

- The first bucket comprises leading **Global CRM and Customer Engagement SaaS platforms**. Major players in the space include mid-market independent software vendors such as HubSpot, and technology giants such as Salesforce.
- The second bucket consists of **Global Loyalty SaaS providers** such as Kobie, Comarch, Loyalty Juggernaut, Bond Brand Loyalty, Annex Cloud, Epsilon, and Merkle who are unlisted players focused on loyalty solutions.

Global Marketing SaaS with Loyalty Offerings

Metrics			capillary	salesforce	Adobe	braze	HubSpot
	Founding Year		2012	1999	1982	2011	2006
	Headcount		650+	70,000+	30,000+	1,500+	8,000+
	Latest Financials As Of		31/03/2025	31/01/2025	30/11/2024	31/1/2025	31/12/2024
Revenue & Growth Metrics	Revenue (Overall)		USD 0.07 Bn	USD 37.89 Bn	USD 21.51 Bn	USD 0.59 Bn	USD 2.63 Bn
	Net Worth		USD 0.06 Bn	USD 61.17 Bn	USD 14.11 Bn	USD 0.48 Bn	USD 1.91 Bn
	Revenue Segments	Subscription and support	USD 0.06 Bn	USD 35.68 Bn	USD 20.52 Bn	USD 0.57 Bn	USD 2.57 Bn
		Professional Services & Other	USD 0.01 Bn	USD 2.22 Bn	USD 0.98 Bn	USD 0.02 Bn	USD 0.06
	Geographies	North America	56.59%	66.35%	60.00%	-	60.47%
		EMEA	19.24%	23.46%	26.00%	-	31.42%
		APAC	24.17%	10.19%	14.00%	-	8.11%
Profitability & Margin Metrics	Gross Margin - Subscription		66.36%	83%	91%	-	87%
	Profit/(loss) before tax ("PBT")		USD 0.0013 Bn	USD 7.44 Bn	USD 6.93 Bn	USD (0.10) Bn	USD 0.03 Bn
	Profit/(Loss) after Tax from Continuing Operations ("PAT")		USD 0.0017 Bn	USD 6.20 Bn	USD 5.56 Bn	USD (0.10) Bn	USD (0.01) Bn
	Earnings Per Share ("EPS")		USD 0.02	USD 6.44	USD 12.43	USD (1.02)	USD 0.09
Efficiency & Returns Metrics	Return On Equity / Return on Net Worth ("ROE"/"RONW")		2.85%	10.26%	36.74%	(22.58)%	0.29%

Analysis of the global marketing SaaS players based on selected KPIs; Source: Company annual reports, websites, reports, press releases*
Note: The conversion rate used is 1 USD = ₹85 as per March 31, 2025.

Salesforce reports **higher revenue levels** relative to HubSpot, indicating differences in **organizational maturity** and **market presence**. Salesforce reflects a combination of revenue growth and positive profitability, suggesting **operational scalability**. HubSpot shows **early-stage characteristics**, including limited revenue and negative profitability, consistent with firms prioritizing investment and growth over short-term returns.

All three companies derive the **majority of their revenue from subscription-based services**, consistent with standard SaaS operating models. Salesforce, Adobe, and HubSpot generate a larger share of revenue from North America. Braze reports the majority of revenue from USA. Salesforce records higher efficiency across margin and return metrics, showcasing positive EBITDA and earnings.

Global Loyalty SaaS Providers

Solutions Analysis:

Customer Journey	List of Martech Tools at 3 key stages of the customer journey	capillary	KOBIE	COMARCH	LOYALTY JUGGERNAUT	bond.	ANNEX CLOUD	Epsilon	MERKLE
	Founding Year	2012	1990	1993	2015	1989	2010	1969	1971
	Headcount	-	250+	6,500+	200+	800+	250+	8,000+	16,000+
Pre-Purchase Acquisition (Top of the Funnel)	Content Management Systems	Limited Focus	High Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	High Focus	High Focus
	Content Marketing Patforms	High Focus	Limited Focus	High Focus	Limited Focus	Limited Focus	High Focus	High Focus	High Focus
	Paid Advertising Tools	Limited Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus
Consideration/Decision (Middle of the Funnel)	Email Marketing Tools	High Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	High Focus	High Focus
	Marketing Automation Platforms	High Focus	High Focus	High Focus	Limited Focus	High Focus	Limited Focus	High Focus	High Focus
Post-Purchase/Retention (Bottom of the Funnel)	Loyalty Solutions	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus
	Account Based Marketing Tool (ABM)	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus	Limited Focus
	Rewards Programs	High Focus	High Focus	High Focus	Limited Focus	High Focus	High Focus	High Focus	High Focus
	Feedback and Survey Tools	Limited Focus	Limited Focus	Limited Focus	Limited Focus	Limited Focus	High Focus	Limited Focus	Limited Focus
	Customer Support Tools	High Focus	High Focus	High Focus	Limited Focus	High Focus	High Focus	High Focus	High Focus
Horizontal	Customer Data Platforms (CDP)	High Focus	High Focus	High Focus	Limited Focus	High Focus	High Focus	High Focus	High Focus
	Customer Relationship Management (CRM)	High Focus	High Focus	High Focus	Limited Focus	High Focus	Limited Focus	High Focus	High Focus
	Analytics/BI Tools	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus	High Focus
Additional	Consulting	High Focus	High Focus	High Focus	Limited Focus	High Focus	Limited Focus	Limited Focus	High Focus

Legend: High Focus, Limited Focus

Analysis of the solutions offered by the selected loyalty management companies; Source: Company websites, reports, press releases

Note: Analysis of the solutions was done based on the descriptions of all the loyalty management offerings present in the company's websites, reports and press releases.

The loyalty management market is characterized by a strong presence of players focusing on **Post-Purchase/Retention (Bottom of the Funnel)** and Horizontal offerings, with specialized emphasis on **Marketing Automation Platforms, Loyalty Solutions, Personalized Marketing, and Customer Data Analysis**.

Key players like **Epsilon, Comarch, and Merkle** offer comprehensive suites that integrate loyalty management with broader marketing and data analytics tools. While their loyalty solutions are robust, they are often part of larger, multi-faceted platforms, which may limit the depth and vertical specialization compared to dedicated loyalty management providers.

Capillary Technologies, in contrast, focuses almost exclusively on loyalty management. They are one of the few players in the loyalty management space that offer end-to-end loyalty solutions. They are recognized as a global market leader in loyalty and engagement management in terms of the number of product offerings in Fiscal 2025. While larger players integrate loyalty management into a wider array of services, **Capillary's specialized approach enables a more focused and tailored solution for businesses aiming to optimize their customer loyalty**.

Partnership Analysis:

Customer Journey	List of Martech Tools at 3 key stages of the customer journey	capillary	KOBIE	COMARCH	LOYALTY JUGGERNAUT	bond	ANNEX CLOUD	Epsilon	MERKLE
Pre-Purchase Acquisition (Top of the Funnel)	Search Engine Optimization Tool	-	-	-	-	-	-	-	-
	Content Management Systems	-	-	-	-	-	-	Sitecore, Crownpeak, Opentext	Sprinklr, Optimizely
	Content Marketing Patforms	-	-	-	-	-	Ellipsis	-	Optimizely
	Social Media Management Tools	-	-	-	-	-	Constant Contact	-	Sprinklr, Story Stream
	Paid Advertising Tools	-	-	-	-	-	-	-	Miraki
Consideration/Decision (Middle of the Funnel)	Email Marketing Tools	Braze	-	Redlink, Braze	-	-	CM Group, Constant Contact	-	Braze, Story Stream
	Marketing Automation Platforms	Braze, Adobe	Pega	Braze, Hubspot, Salesforce	-	-	Acoustic, Hubspot	-	Braze, Pega, Sellignet
Post-Purchase/Retention (Bottom of the Funnel)	Loyalty Solutions	Cataboom, Sabre Hospitality	Blackhawk, cxloyalty, Hinda, FIS	Motisha, Bank2Loyalty	-	-	Ansira, RLS	-	-
	Account Based Marketing Tool (ABM)	-	-	-	-	-	-	-	-
	Feedback and Survey Tools	-	Survey Monkey, Jebbit	-	-	Qualtrics	-	-	Qualtrics
	Customer Support Tools	Sabre Hospitality	Five9	Redlink, Sinch, Whatsapp	-	-	Zendesk, Gorgias	Rulai	Sprinklr
Horizontal	Customer Data Platforms (CDP)	Adobe, Twilio Segment	Acxiom, Adobe, Experian, Alterian, Oracle, Snowflake	-	-	Redpoint Global	Redpoint Global, SAP	SAP	Adobe, Tealium, Optimizely
	Customer Relationship Management (CRM)	Salesforce	Salesforce	Salesforce, SAP, Microsoft dynamics	-	Salesforce	Mirosoft Dynamics, Salesforce, Ometria, Zoho, Klaviyo	-	Salesforce
	Analytics/BI Tools	Sabre Hospitality	Power BI, Python, Google Analytics, Experian, Snowflake	-	-	Qualtrics	Acoustic	acoustic, sitecore, dataiku, sas, oracle	Tableau, Sitecore, Snowflake
Additional	System Integrators/Resellers	Accenture, KPMG, Deloitte	-	-	-	Buljan & Partners	Accenture	veeva	-
	Consulting	KPMG, Deloitte	-	-	-	-	Ascendant Loyalty, Deloitte, Cyrca Strategy	HCL	-

Analysis of the partnerships of the selected loyalty management companies; Source: Company websites, reports, press releases

Note: Analysis and tagging of the partnerships was done based on an analysis of the core offerings of the partner companies as well as the details of the partnerships available on the company websites, reports and press releases

As the loyalty management landscape continues to evolve, platforms are increasingly recognizing the importance of strategic partnerships. These collaborations enable them to provide more comprehensive, integrated solutions that enhance the customer journey and drive long-term loyalty.

A key trend emerging in this space is the focus on **integration/connector partnerships**, wherein **loyalty management platforms collaborate with a wide range of partner companies** to provide more holistic solutions. These partnerships span across the entire value chain, enabling companies to offer seamless, end-to-end solutions that cover every aspect of the customer journey.

From customer acquisition and engagement to retention and loyalty, **the ability to integrate various functionalities into a single platform has become essential for delivering a cohesive and personalized customer experience**. The collaborative nature of these partnerships ensures that loyalty programs are not isolated but are part of a broader ecosystem that drives deeper customer engagement and long-term retention.

Several major players in the loyalty management space have forged strong value chain-spanning partnerships, solidifying their position as market leaders. **Capillary Technologies, Epsilon, Annex Cloud**, and **Merkle** are standout companies that have successfully integrated their loyalty management platforms with a variety of complementary tools and services.

These companies have established partnerships that **enhance their existing offerings, whether through integrations with CRM systems, customer engagement platforms, or loyalty management solutions**. By leveraging such collaborations, these players can deliver more comprehensive, customizable solutions that address the evolving needs of their clients.

Acquisitions Analysis:

Customer Journey	List of Martech Tools at 3 key stages of the customer journey	capillary	KOBIE	COMARCH	LOYALTY JUGGERNAUT	bond	ANNEX CLOUD	Epsilon	MERKLE
Pre-Purchase Acquisition (Top of the Funnel)	Search Engine Optimization Tool	-	-	-	-	-	-	-	Impaqt
	Content Management Systems	-	-	-	-	-	-	-	LiveArea
	Content MarketingPlatforms	Kognitiv	-	-	-	-	-	Conversant	Water Cooler Group, New Control
	Paid Advertising Tools	-	-	-	-	-	-	-	Sokrati, Impaqt
Consideration/Decision (Middle of the Funnel)	Email Marketing Tools	Kognitiv	-	-	-	-	-	-	-
	Marketing Automation Platforms	Kognitiv	-	-	-	-	-	-	-
Post-Purchase/Retention (Bottom of the Funnel)	Loyalty Solutions	Kognitiv, Tenerity (Digital Connects), Persuade, Brierley	-	-	-	-	-	-	500Friends
	Account Based Marketing Tool (ABM)	-	-	-	-	-	-	-	-
	Feedback and Survey Tools	-	-	-	-	-	-	-	-
	Customer Support Tools	-	-	-	-	-	-	-	-
Horizontal	Customer Data Platforms (CDP)	-	-	-	-	-	-	Retargetly, CPC Associates	dbg
	Customer Relationship Management (CRM)	-	-	-	-	-	-	-	Filter, Amicus Digital, Brilig
	Analytics/BI Tools	Persuade, Brierley	-	-	-	rDialogue	-	Conversant, CPC Associates	Acquila Insight, DIVISADERO, Periscopix, pointmark, cognitivedata
Additional	System Integrators/Resellers	-	-	SoftM Software	-	-	-	-	-
	Consulting	Brierley	-	-	-	Buljan & Partners Consulting, rDialogue	-	-	DIVISADERO, Comet Flobal Consulting

Analysis of the acquisitions of the selected loyalty management companies; Source: Company websites, reports, press releases

Note: Analysis and tagging of the acquisitions was done based on an analysis of the core offerings of the acquired companies as well as the details of the acquisitions available on the company websites, reports and press releases

The loyalty management space has seen limited acquisitions, particularly among the top players. However, the acquisitions that have occurred have been concentrated in **Post-Purchase/Retention (Bottom of the Funnel), Horizontal** functions, and **Consulting** areas.

These acquisitions are focused on **expanding capabilities in customer retention, data analytics, and providing consulting services to enhance the overall loyalty management offering**. The acquisitions reflect the growing demand for more integrated, data-driven solutions that can manage and optimize the entire customer journey.

Merkle, in particular, has followed an inorganic route, making several strategic acquisitions aimed at strengthening its analytics and data management capabilities. These acquisitions have enabled Merkle to expand its personalized, data-driven solutions for customer engagement and loyalty programs.

Similarly, **Capillary Technologies, Epsilon**, and **Bond Brand Loyalty** have made a few strategic acquisitions to enhance their loyalty solutions and broaden their service offerings. These acquisitions help these companies to grow their capabilities in customer engagement, loyalty management, and consulting, positioning them to provide more comprehensive, integrated solutions to their clients.

Geo Presence Analysis:

Analysis of the geographical presence of the selected loyalty management companies; Source: Company websites, reports, press releases

Note: Analysis of the geographic presence was done based on the selected company's office locations and other mentions of geographic presence available on the company websites, reports, press releases and customer success stories.

In the loyalty management space, **North America** is a key market where all major players have a significant presence, driven by high digital adoption and demand for personalized customer experiences. Additionally, **APAC** (Asia-Pacific) stands out, with almost all key players establishing a presence in the region, driven by the expanding digital landscape and growing middle class.

Merkle, **Capillary Technologies, Comarch**, and **Epsilon** have expanded their reach across **North America**, **EMEA** (Europe, the Middle East, and Africa), and **APAC**. In terms of loyalty management capabilities, Capillary Technologies have surpassed regional players. They are the market leader in the loyalty management in terms of the geographies in which they operate in 2024 and include customer loyalty. Loyalty management capabilities are determined based on parameters such as functionalities, CDP offering, analyst mentions, supported integrations and partnerships, investments/acquisitions, and non-transactional engagements. Their acquisition of Tenerity's Digital Connect Assets was part of their strategic move to expand their presence in the European Union ("**EU**") market, a region with significant growth potential for loyalty and customer engagement solutions. The EU market represents a substantial opportunity for the company to expand their customer base and drive revenue growth.

RECENT IPOs IN INDIA of SaaS Companies

In the past 2 to 4 years, several SaaS firms have gone public in India's secondary markets. Among them, MapMyIndia and Unicommerce were analyzed for comparison. These companies, operating in distinct sectors—MapMyIndia in travel and hospitality and Unicommerce in e-commerce and supply chain management—showed limited overlap with Capillary's offerings.

This highlights Capillary's unique positioning in the market. Capillary is focused specifically on loyalty, customer experience (CX), and customer relationship management (CRM) utilizing its AI-powered platform to enhance customer experiences and retention. This reinforces Capillary's specialized value proposition and its ability to deliver AI-driven solutions that set it apart in the marketplace.

RECENT LISTINGS IN THE SAAS SPACE – INDIA		
	MapmyIndia	unicommerce
Headquarters	New Delhi, India	Gurugram, India
Estimated Employee Count	700+	400+
Key Customer Base	Automotive OEMs, Government, Logistics, BFSI, and E-commerce	Retail, Supply Chain
Service Offerings	Offer SaaS-based solutions across mapping, geospatial intelligence, IoT, fleet tracking, location analytics, and smart mobility	Provides a SaaS platform for e-commerce enablement, focusing on inventory and order management
Overlap with Capillary Technologies	Low	Low

Recent IPO Listings in the Indian SaaS Space

THREATS AND CHALLENGES TO CAPILLARY PRODUCTS AND SERVICES

As Capillary continues to scale its operations and expand its global footprint, it operates within a dynamic and competitive environment that presents certain business, operational, and market-related risks. These challenges are inherent to the rapidly evolving SaaS landscape and the company's positioning in the loyalty-tech and customer engagement domains. Identifying and proactively managing these risks is essential to sustaining growth, protecting stakeholder interests, and maintaining long-term strategic advantage.

Intense Competition in the Loyalty-Tech and Martech Space

The market for platform loyalty-tech and Martech solutions is highly competitive, rapidly evolving and fragmented, and subject to changing technology, shifting customer needs, and rapid cycles of product and service innovation. Capillary faces competition from global SaaS providers (such as Salesforce) as well as niche players like Annex Cloud, Epsilon, Merkle, and newer startups offering modular or AI-native solutions. This competition is further exacerbated by traditional loyalty agencies adopting AI and automation, thus intensifying market pressure. Capillary must continue to invest in differentiated capabilities, strengthen its innovation pipeline, and sharpen its value proposition across target segments.

Rapid Technology Disruption and Changing Customer Expectations

As enterprises increasingly adopt AI-powered personalization and real-time engagement tools, Capillary must consistently evolve its offerings to match these expectations. Failure to keep pace with advancements in AI, automation, and data privacy may reduce the relevance of existing solutions. Capillary should continuously modernize its tech stack, embed AI-driven features, and maintain strong product-market alignment.

Customer Retention Challenges

A significant portion of revenue for players in this ecosystem is derived from long-term enterprise contracts. Any inability to retain key customers, delays in contract renewals, or reduced customer spending due to macroeconomic pressures could adversely affect financial performance. Capillary should continue to enhance its customer success motion, invest in analytics-led renewal forecasting, and offer value-linked pricing models.

Reliance on Global Expansion and Cross-Border Operations

Operating across multiple markets exposes the company to legal, regulatory, and geopolitical risks, including data sovereignty and forex volatility. Capillary should continue building local compliance expertise, diversify revenue across regions, and implement robust cross-border risk management practices.

Talent Acquisition and Retention in a Competitive SaaS Market

Capillary's ability to scale depends on attracting and retaining skilled talent across engineering, product, and customer success functions. Increasing competition for SaaS talent — especially in India and Singapore — may lead to rising employee costs and execution bottlenecks. They should continue investing in talent retention strategies to drive employee loyalty.

Security, Privacy, and Data Governance Risks

Capillary handles sensitive customer and consumer data across sectors like retail, F&B, and lifestyle. Any breach or failure in safeguarding this data, whether due to internal lapses or external cyberattacks, could lead to reputational damage, legal liabilities, and regulatory scrutiny. Capillary should reinforce its information security framework and maintain rigorous data governance protocols.

Risk of Missed Opportunities from Inorganic Growth

Failure to integrate and extract synergies from acquisitions can limit revenue growth, dilute strategic focus, and reduce overall ROI. Capillary should continue institutionalizing a robust post-merger integration framework to align offerings, streamline operations, and accelerate value capture.

Despite the evolving risks inherent to the SaaS and loyalty-tech landscape, Capillary is well-positioned to navigate these challenges and capitalize on emerging opportunities. Its proven track record across global markets, deep specialization in customer loyalty and engagement, and ability to blend horizontal scale with vertical depth provide a strong foundation for sustained growth. With continued focus on innovation, customer success, and operational resilience, Capillary is poised to strengthen its leadership in the loyalty-tech space and drive long-term value for all stakeholders.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 25 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Industry Overview", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 39, 367 and 423, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, certain of which may not be derived from our Restated Consolidated Financial Information. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors should consult their own advisors in making an investment decision and evaluate such information in the context of the Restated Consolidated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*Unless otherwise indicated or the context otherwise requires, the financial information included in this Draft Red Herring Prospectus for Fiscals 2025, 2024 and 2023 are derived from our Restated Consolidated Financial Information (collectively referred to as the "***Restated Consolidated Financial Information***"). For further information, see "Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation – Financial and Other Data" on page 21. During Fiscal 2025, we changed our business model for campaign services and entered into new arrangements with our service providers pursuant to which, we act as an agent and not as a principal for campaign services transactions. Accordingly, the revenue generated from campaign services during Fiscal 2025 has been recorded on a net basis (i.e., net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from cost of campaign services was recognized on a gross basis as we acted as principals for campaign services transactions. Accordingly, the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss for the said Fiscals. Unless the context indicates otherwise and to ensure comparability of revenue from operations for the years presented in our Restated Consolidated Financial Information, 'Net Revenue' (defined as revenue from operations less cost of campaign services) has been disclosed for all the presented years in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations for Fiscal 2025, 2024, and 2023" on page 449. Any reference in this section to 'Revenue' or 'revenue from operations' is to revenue from operations as appearing in our Restated Consolidated Financial Information while any reference to 'Net Revenue' is to revenue from operations less cost of campaign services. Our financial year commences on April 1 and ends on March 31, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless the context otherwise indicates, all references to the terms "we", "us" and "our" are to our Company and our Subsidiaries on a consolidated basis. References to our "Company" refers to Capillary Technologies India Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Customer Loyalty and Engagement Software Market Overview" dated June, 2025 (the "***Zinnov Report***"), exclusively prepared and issued by Zinnov who were appointed pursuant to the engagement letter dated February 19, 2025, and exclusively commissioned by and paid for by our Company in connection with the Offer. The data included herein includes excerpts from the Zinnov Report and may have been re-ordered by us for the purposes of presentation. The Zinnov Report will form part of the material documents for inspection and a copy of the Zinnov Report is available on the website of our Company at https://www.capillarytech.com/investors/. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. Unless otherwise indicated, or unless the context otherwise requires, financial, operational, industry and other related information derived from the Zinnov Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company for such purpose." on page 81. Also see, "Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 23.*

For definitions of technical and industry related terms used in this section, please see "Definitions and Abbreviations – Industry Related Terms or Abbreviations" on page 16.

OVERVIEW

WHO WE ARE

We are a software product company offering artificial intelligence ("**AI**")-based cloud-native Software-as-a-Service ("**SaaS**") products and solutions primarily to Enterprise Customers (defined as customers contributing more than ₹ 8.00 million in revenue from operations in a Fiscal) globally to develop loyalty of their consumers and channel partners. We are recognized as the global market leader in loyalty and engagement management in terms of number of product offerings in Fiscal 2025. (*Source: Zinnov Report*)

We are among one of the few players in the loyalty management space that offer end-to-end loyalty solutions. (*Source: Zinnov Report*) Our diversified product suite which includes our advanced loyalty management platform (*Loyalty+*), connected engagement platform (*Engage+*), predictive analytics platform (*Insights+*), rewards management platform (*Rewards+*) and customer data platform ("**CDP**") allow our customers to run end-to-end loyalty programs, get a comprehensive view of consumers and offer unified, cross-channel strategies that deliver a real-time omni-channel, personalized, and consistent experience for consumers. Our solutions assist customers in generating engagement, drive conversions and boost repeat sales.

Headquartered in India with a significant global footprint with offices in locations across the United States, United Kingdom, United Arab Emirates and other Asian countries, we support over 390 brands in more than 45 countries, as of March 31, 2025, with the aim that businesses build consumer value using our innovative solutions.

CAPILLARY AT A GLANCE*

**As of March 31, 2025, unless otherwise specified*

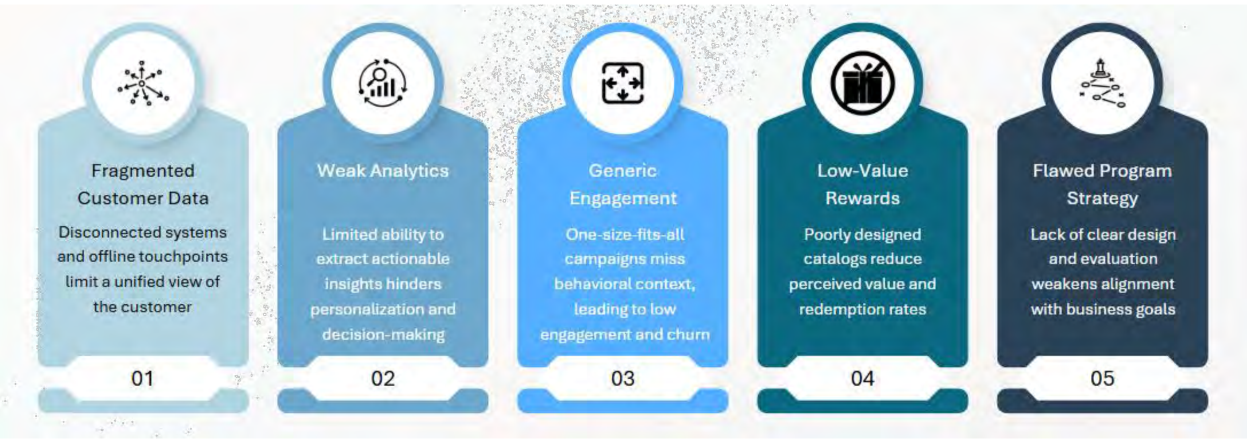
UNDERSTANDING CUSTOMER LOYALTY

Consumer loyalty is both a conscious and subconscious preference that a customer holds towards a brand, its products or services. The most successful loyalty programs today go beyond transactional rewards — they focus on nurturing the overall customer relationship by building trust, driving sustained engagement, and cultivating brand advocacy. Loyalty is fundamentally about engaging consumers across their entire journey and consistently prioritizing their needs. Loyal consumers typically exhibit characteristics such as default to certain "go-to" brands across key categories, trust that the brand will consistently act in their best interest, rarely explore alternative brands or options and demonstrate an ongoing intention to repurchase when needs arise. (*Source: Zinnov Report*)

CHALLENGES AND OUR SOLUTIONS

In a hyper-competitive world, brands and enterprises find it increasingly difficult to build and maintain loyalty of consumers. The loyalty management space is undergoing significant changes, with brands facing several challenges. (*Source: Zinnov Report*) Challenges faced by brands and enterprises within the loyalty space are set out below:

(*Source: Zinnov Report*)



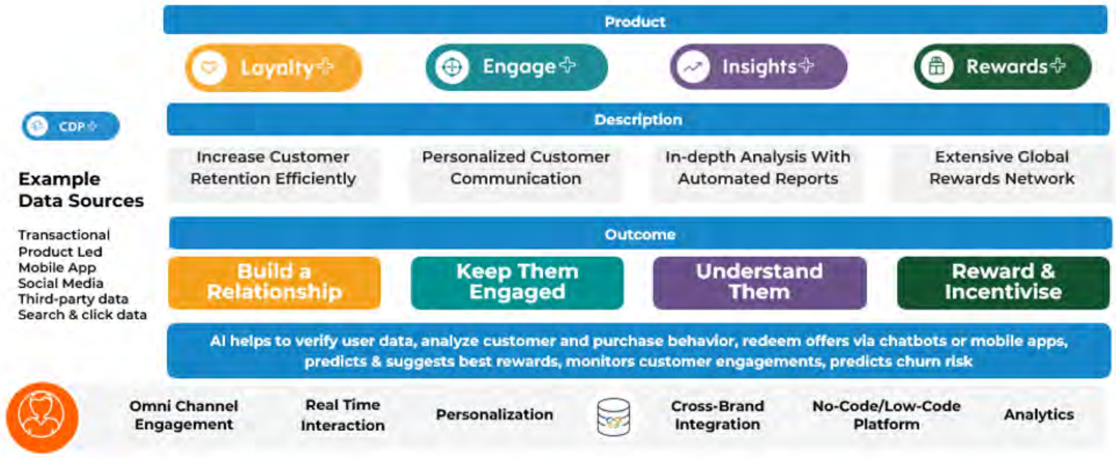
Our solutions are set out below:

Data collection	Difficulty in collection consumer data across channels, especially offline customers	Our platform collects consumer data from various channels including in-store, online, mobile applications, social media platforms of our customers across a variety of industries.
Data consolidation	Fragmentation of consumer data - Across different databases and in silos	We offer a consolidated single view of consumer data including demographics, transaction history, interaction data, the willingness of consumers to recommend a company's products or services to others and feedback on a unified platform.
Data analytics	Inability to mine data and generate customer insights	Our platform gathers real-time insights on consumer behaviour, preferences and trends based on data analytics. Increasing number of enterprises are seeing significant increase in customer retention and loyalty by leveraging customer analytics
Automated & Personalised Engagement	Poor understanding of the main drivers of longer term consumer loyalty (as compared to short term sales growth from constant discount campaigns) to holistically 'farm' existing customers fully	Our products use proprietary AI and ML-based models to segment consumers and personalize engagement. Our customers are able to tailor offers and promotions in real-time to a specific consumer profile and communicate with them across their preferred channels (including email, SMS, social media, mobile apps, web push notifications and messaging apps) to make purchases with the consumer compelling. Our customers are also able to run a variety of omni-channel loyalty programs (including points-based programs, milestone-based programs, gamification and badges, subscription-based programs and coalition-based programs) and manage their loyalty programs with ease, to provide consumers a more cohesive experience.
Rewards redemption	Inadequate rewards solutions and lack of quality redemption options	Our Rewards+ product is a comprehensive loyalty and rewards solution offering a wide range of curated rewards and redemption options (including gift cards, cashback, travel vouchers, and exclusive offers). The platform leverages AI and machine learning to deliver personalized experiences, ensuring that each customer receives relevant and engaging rewards.
Design and strategy	Inefficient program design and obscurity in efficacy and ROI assessment of programs	We help businesses design and optimize customer-centric loyalty programs with program assessment, strategic planning, and implementation support to align with business objectives. Using the Brierley Loyalty Quotient (BLQ), we evaluate loyalty programs, providing data-driven insights to enhance engagement and customer retention

These challenges highlight the need for robust information technology infrastructure, digitalization, and innovative solutions to meet evolving consumer expectations and company preferences. (*Source: Zinnov Report*) Built using a modern technology stack and powered by AI and machine learning ("**ML**"), our comprehensive AI-enabled platform delivers tangible results for customers across industries. We allow businesses to leverage their existing infrastructure to identify and understand each consumer while engaging with them across multiple channels.

OUR PRODUCTS

Set out below are brief details of our product offerings along with certain key features and capabilities.



For further information, see " – *Business Operations – Our Products*" on page 248.

Our SaaS products enable our customers to build engaged relationship with their consumers, help them reward their consumers and offer them analysis and insights using our CDP. Leveraging our numerous application programming interfaces ("**APIs**"), our products integrate with our customers' existing technology stack including their enterprise resource planning ("**ERP**") systems, point of sale ("**POS**") systems, e-commerce, social media platforms and multiple such consumer and transaction touch points in addition to seamlessly integrating with other third party data, marketing, and analytics platforms to provide extensibility of features for our customers. The scalability, architecture and security of our technology platforms allow for integration with other existing platforms such as security systems, identity verification, access management and data analytics. For further information see, " – *Scalable Cloud-Based Infrastructure with Seamless Integration*" on page 263. Our platform offers competitive implementation speed, which serves as a key differentiator and adds value for customers. (*Source: Zinnov Report*) Our API integrates into third party data, marketing, and analytics platforms to provide extensibility of features for our customers.

We also leverage AI and ML technologies to deliver personalized experiences to our customers. Our AI-driven SaaS products help streamline marketing processes. Technologies like predictive AI, enable real time analytics such as identifying which consumers are most likely to make a purchase within a given time period allowing marketers to proactively shape engagement and drive conversion. (*Source: Zinnov Report*) *Engage+* employs generative and agentic AI capabilities and enables hyper-personalized interactions and marketing campaigns. Further, our co-pilot services include AI-powered tools designed to assist users by leveraging their insights in customizing messages and creating or editing promotions, thereby enhancing customer engagement. Our *Creatives Co-Pilot* generates tailored messages with customizable emotions and multilingual support and our *Promotions Co-Pilot* creates and edits promotions while ensuring precise execution.

CUSTOMER BASE

We count certain global retailers and conglomerates as our customers. As of March 31, 2025, 2024 and 2023, we served 98, 111 and 112 customers and 393, 398 and 339 brands, respectively. Our customers and brands are diversified across verticals and include conglomerates and businesses engaged in retail, consumer packaged goods ("**CPG**"), healthcare, apparel, departmental stores, luxury and lifestyle, travel, auto and hospitality, and energy retail verticals.

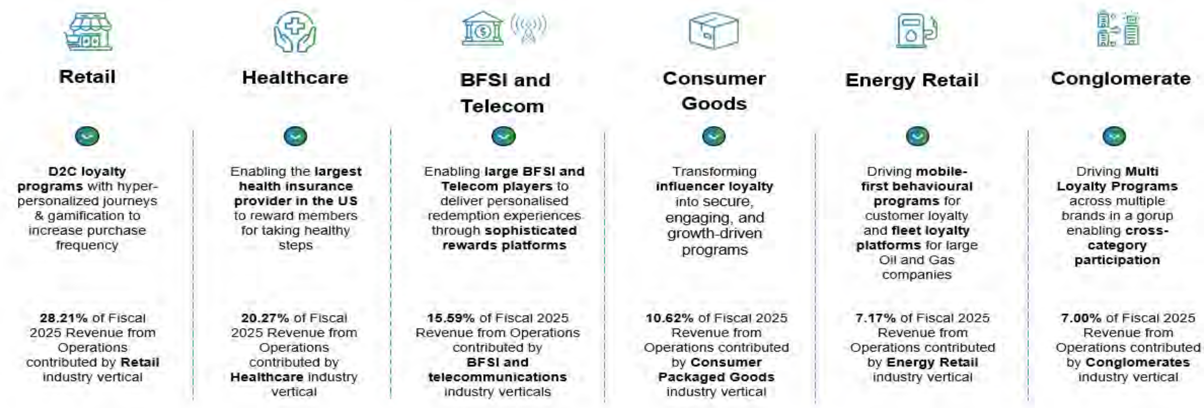
Over the years, we have been diversifying the industry verticals that we cater to and in the last three Fiscals and added customers in the energy retail, CPG, healthcare and banking, financial services, and insurance ("**BFSI**") and telecommunications verticals. The following table presents the contribution from verticals to our revenues in the relevant years:

Industry	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)
Retail	1,687.94	28.21%	1,933.79	36.83%	1,150.13	45.04%
Healthcare	1,212.75	20.27%	375.74	7.16%	131.40	5.15%
BFSI and Telecommunications	932.97	15.60%	662.39	12.61%	-	-
Consumer Packaged Goods	635.18	10.62%	484.70	9.23%	293.91	11.51%
Travel, Automobile and Hospitality	588.15	9.83%	652.12	12.42%	99.18	3.88%
Energy Retail	428.96	7.17%	513.10	9.77%	469.20	18.37%
Conglomerate	418.73	7.00%	527.80	10.05%	305.27	11.95%
Food and beverages	77.91	1.30%	101.35	1.93%	104.63	4.10%
Total	**5,982.59**	**100.00%**	**5,251.00**	**100.00%**	**2,553.72**	**100.00%**

Our platform has seen rising adoption by Enterprise Customers, and as of March 31, 2025, we engaged with 16 Global Fortune 500 companies as our customers. Some of our marquee customers among others include Aditya Birla Fashion and Retail Limited ("**ABFRL**"), Abbott Laboratories (Singapore) Private Limited ("**Abbott**"), Tata Digital Private Limited ("**Tata Digital**"), Frontier Communications and a global technology solutions provider, a global energy and petrochemicals major, one of UAE's diversified conglomerates and a large European bank, offering financial services focused on supporting personal and business growth.

Certain of our Enterprise Customers are set out below:

Our Industry-wide vertical penetration



OUR PRESENCE AND OPERATIONS

The nature of the loyalty market is characterized by its vast and diverse consumer base, with India and Asia alone constituting a 4 billion consumer market. In contrast, the US, despite having a smaller number of consumers, has a highly mature and well-recognized loyalty market. Given the global nature of loyalty, companies aiming to address these markets must establish a global physical presence to effectively manage and deliver loyalty programs. (*Source: Zinnov Report*) Our global reach allows us to tap into the unique needs and preferences across different regions. As of March 31, 2025, we had 13 offices including in key markets of India, United States, United Kingdom, United Arab Emirates, Singapore, Indonesia, Vietnam and Malaysia, and provided services in 46 countries. The following infographic depicts our presence across geographies, as of March 31, 2025:

[Map not to scale]

The following table presents the contribution by geography to our revenues in the relevant years:

	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ million)	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**
North America[(1)]	3,385.51	56.59%	2,525.01	48.09%	510.84	20.00%
Asia-Pacific[(2)]	1,446.09	24.17%	1,741.24	33.16%	1711.80	67.03%
EMEA[(3)]	1,150.99	19.24%	984.75	18.75%	331.08	12.97%
Total	**5,982.59**	**100.00%**	**5,251.00**	**100.00%**	**2,553.72**	**100.00%**

(1) North America includes United States, Mexico and Canada.

(2) Asia-Pacific includes India, South-East Asia and Japan.

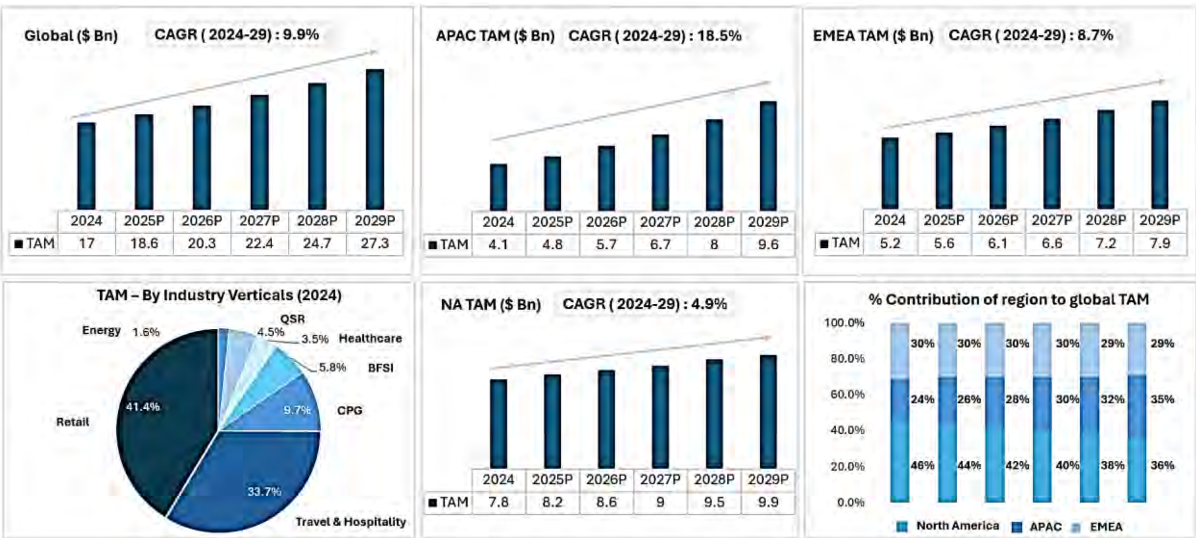
(3) EMEA includes Middle East and European Union.

In terms of loyalty management capabilities, we have surpassed regional players. We are the market leader in the loyalty management in terms of the geographies in which we operate in 2024 and include customer loyalty. Loyalty management capabilities are determined based on parameters such as functionalities, CDP offering, analyst mentions, supported integrations and partnerships, investments/acquisitions, and non-transactional engagements. (*Source: Zinnov Report*)

We believe that our diversified product portfolio, domain focused verticalized solutions, multi-geography capabilities, SaaS-based model approach, demonstrated scalability, solutions for evaluating efficacy and return on investment of loyalty programs and industry thought leadership distinguishes us from our competition.

THE LOYALTY MARKET

The total addressable market ("**TAM**") size for loyalty management is estimated to be USD 17 billion in Fiscal 2024 and is expected to reach USD 27.3 billion by Fiscal 2029, projecting a growth rate of 9.9%, with all the regions across the globe registering a growth rate of more than 5% from years 2024 to 2029, with Asia-pacific region projecting a significant growth rate of 18.5% from years 2024 to 2029. North America holds the largest market share, followed by Europe and Asia-Pacific. Changing end-user demographics, growing expenditure on loyalty programs, rapid growth in the applications of AI and analytics, and appreciation for online reward management solutions are adding to the loyalty market growth. *(Source: Zinnov Report)*



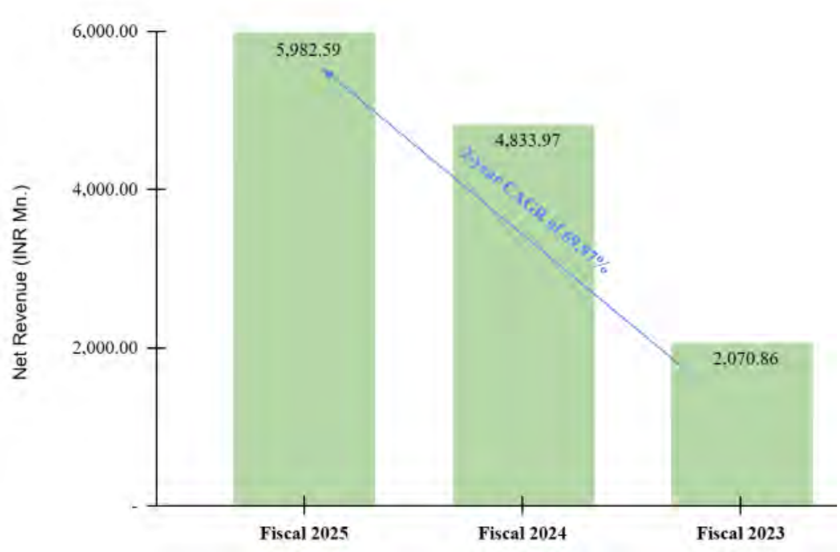
(*Source: Zinnov Report*)

Loyalty programs have evolved into strategic assets for businesses, driving higher customer lifetime value ("**CLTV**"), increased spending, deeper engagement, and strong return on investment ("**RoI**"). Well-designed programs go beyond transactional discounts, fostering long-term relationships that translate into sustained revenue growth and brand loyalty. Over 90% of companies with loyalty management programs report a positive RoI, with an average return of 4.8 times on their initial investment. *(Source: Zinnov Report)*

As customer acquisition costs are steadily increasing, businesses are shifting focus from pure acquisition strategies to customer-centric metrics such as Net Promoter Score (“**NPS**”), retention, and lifetime value (“**LTV**”). It is now significantly more expensive to acquire a new customer than to retain an existing one, with loyalty program members demonstrating 15% to 40% higher CLTV compared to non-members. Nearly every Fortune 500 company has implemented some form of loyalty marketing program, underscoring the widespread adoption of loyalty initiatives among leading enterprises, with 60% of US client-side marketers indicating that loyalty marketing will be more important to them in 2025. Loyalty programs have proven to be a key driver of customer engagement and brand preference, with 70% of consumers considering such programs a major factor in brand selection, 72% of customers are likely to join a loyalty program before their first purchase. *(Source: Zinnov Report)*

OUR GROWTH PATH

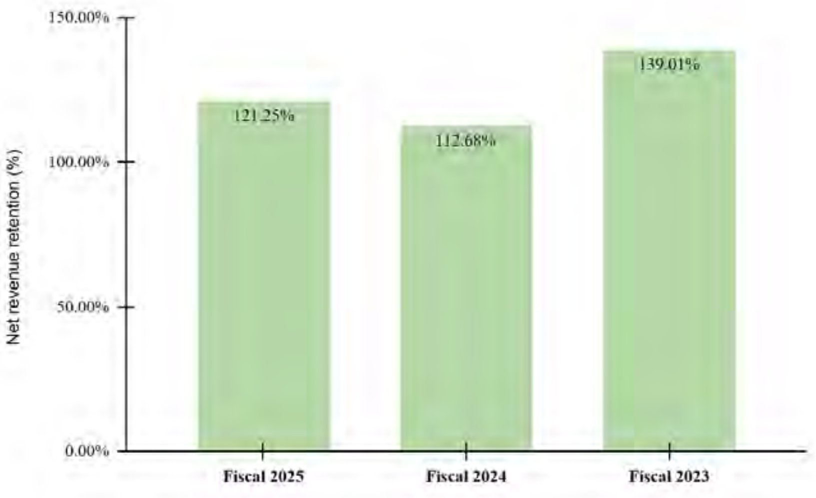
Our growth path focuses on three key areas, (i) maximizing organic growth through (a) improving Net Revenue Retention (“**NRR**”) (computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by the Net Revenue generated from the same customers in the previous Fiscal) from existing customers through our ‘land and expand’ approach (defined below); and (b) new customer acquisition, and (ii) inorganic growth to integrate complementary technologies and access new customer segments. Our multi-pronged approach to growth ensures that we retain and expand our existing customer base, introduce new features, and achieve operational synergies. The chart below reflects our year-on-year growth.



Organic Growth

Improving Net Revenue Retention from Existing Customers

We are committed to driving growth through our NRR from existing customers. Our NRR rate i.e., ability to retain existing customers and expand revenue from those customers over time was 121.25%, 112.68% and 139.01% for Fiscals 2025, 2024 and 2023, respectively. We have focused on expanding our footprint within Enterprise Customers by leveraging following growth levers. We have delivered consistent NRR rates from existing customers, with our ‘*Land and Expand*’ approach focusing on landing Enterprise Customer accounts and expanding further through deeper engagements through providing upgrades to existing solutions, immersive loyalty experience, cross-selling and upselling opportunities. The chart below depicts our robust NRR.



Our strategy to increase our NRR is structured around three key categories.

In Category I, we focus on expansion through inflationary increases, cost of living adjustments, transactional/member count-based excess usage charges – referring to additional charges incurred when the usage exceeds the limits set by the subscription plan, and variable rates to align pricing with market conditions and usage patterns.

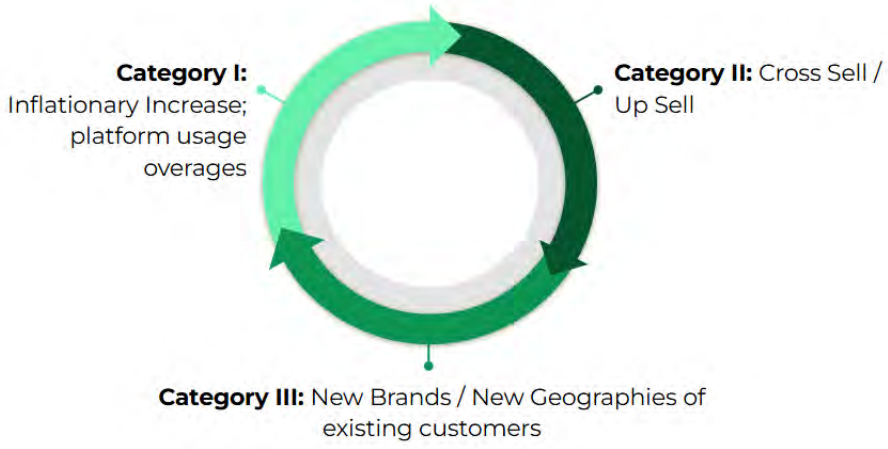
Category II involves growth through product upgrades and service upsells, addressing evolving customer needs and encouraging higher engagement.

Category III targets expansion through new brands, geographic expansion and new business units, enabling us to enter new markets and diversify our customer base.

Our contract with one of our customers, Indonesia's integrated omnichannel distributor and retailer of technology and lifestyle products, is priced using a transaction-linked model. Revenue from operations from this customer has grown through Category I factors, pursuant to increase in loyalty transactions processed annually. The revenue from operations from this customer due to these transaction-based excess usage charges has increased by 38.73% from ₹ 17.59 million in Fiscal 2023 to ₹ 24.40 million in Fiscal 2024 and further grew by 26.67% to ₹ 30.91 million in Fiscal 2025 due to these transaction-based excess usage charges, demonstrating a CAGR of 32.56%. Whereas, one of our Global 500 customers, a technology and digital transformation company, providing scalable IT solutions to businesses and consumers, has increased its revenue contribution to us through Category II expansion factors, namely through launch of a new program and expanded support. Revenue from operations from this customer increased by 118.23% from ₹ 164.10 million in Fiscal 2023 to ₹ 358.11 million in Fiscal 2024 and further grew by 41.18% to ₹ 505.57 million in Fiscal 2025, demonstrating a CAGR of 75.52%.

Further, one of our customers, one of Europe's fashion retailers, operating an extensive network of stores and digital platforms, has expanded into new countries in Fiscal 2025 expanding its revenue contribution to us through Category III factors. With its expansion into four new countries in Europe in Fiscal 2025, revenue from operations from this customer increased by 62.92% from ₹ 84.17 million in Fiscal 2024 to ₹ 137.14 million in Fiscal 2025.

The infographic below sets out our strategy to increase NRR across our key categories:



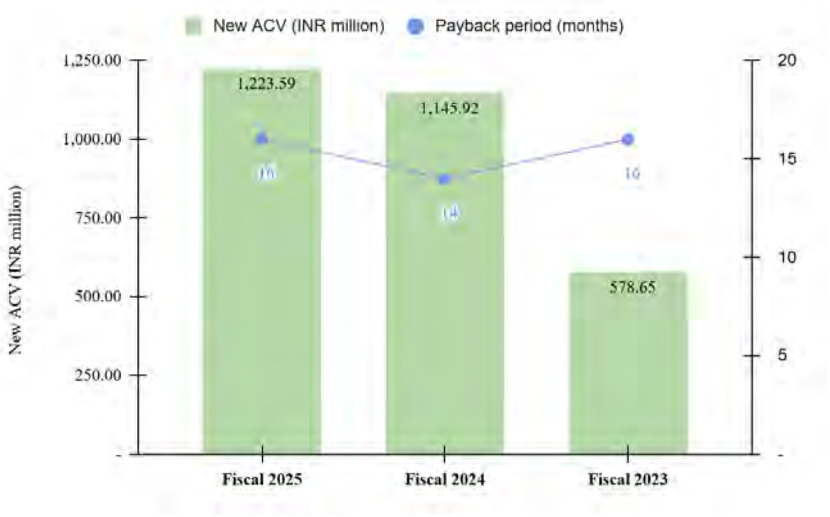
We deepen our relationships by expanding our solutions across additional brands, business units, and geographies within the same organization. In our experience, this approach has been successful and in Fiscals 2025, 2024 and 2023, our farming as a percentage of New Annual Contract Value ("**New ACV**") (defined as the aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services) was 75.26%, 25.56% and 66.85%, respectively.

Our SaaS subscription pricing model is linked to loyalty transactions processed in a Fiscal/year, active loyalty members on the platform or the number of stores live on our platform. Other subscription revenues earned from our *Rewards+* platform are linked to the type and quantum of various offers redeemed on the platform. Further, campaign service net margins are directly linked to quantum and type of campaigns run on platforms of service providers. Linking our prices to metrics associated with activity on and usage of the platform and our services ensures that our revenue scales as customers grow and extend our solutions across multiple regions or divisions, thereby allowing for long-term account value expansion. Additionally, certain of our contracts incorporate inflation-adjusted pricing, which enables revenue growth over time and our modular product suite also allows us to introduce complementary solutions to existing customers, increasing engagement and overall account value through cross-selling and upselling opportunities. For further information, see "***Diverse Long-Term Customer Relationships with High Net Revenue Retention***" on page 264.

New customer acquisition

As part of our ongoing customer acquisition strategy, we have maintained our focus on acquiring new Enterprise Customers, particularly in the United States, Europe, and Asia. Our sales model involves maximizing sales and profitability by leveraging our existing SaaS platform, AI and analytics capabilities, and consulting expertise. This model allows us to scale, as the cost of adding new customers is relatively low on our existing platform and penetration to industry verticals provide exposure to new customers. In Fiscal 2025, 2024 and 2023, our New ACV were ₹ 1,223.59 million, ₹1,145.92 million and ₹578.65 million, respectively. In Fiscal 2025, 54.88% of our new customers were referred by large systems integrators and consulting partners pursuant to our Business Alliance Agreements and Referral Agreements. Our agreements typically allow us to partner with other businesses to refer customers who need advanced loyalty management solutions, thereby expanding our customer base. In Fiscals 2025, 2024 and 2023, our customer acquisition cost ("**CAC**") to acquire a new customer in a particular Fiscal and take the respective customers live on the platform was ₹ 1,067.95 million, ₹ 872.57 million and ₹ 535.85 million, respectively. Our Payback Period (defined as CAC divided by the result of New ACV multiplied by Subscription Gross Margin earned during the respective Fiscal. The overall result then is represented in number of months by multiplying the same by twelve) was 16 months, 14 months and 16 months in Fiscals 2025, 2024 and 2023, respectively representing efficient utilization of sales and marketing and implementation efforts required to acquire new customers and take them live on our platform. We have expanded into new verticals in the last three Fiscals such as healthcare with an American healthcare company as our customer that provides technology services, pharmacy care services and various direct healthcare services and also broadened our customer base in the CPG and BFSI verticals with the addition of Polycab India Limited ("**Polycab**"), an Indian adhesives manufacturing company and a European bank offering financial services focused on supporting personal and business growth. For further information, see "- *Strong Sales Engine and Partnership Network*

Resulting in Addition of New Brands" on page 266. The chart below depicts our New ACV and Payback Period over the last three Fiscals.



Inorganic Growth

Scaling Through Strategic Acquisitions

We have established a dedicated mergers and acquisitions ("**M&A**") function to accelerate growth through strategic acquisitions in fragmented, high-value markets. With our last three acquisitions outside India, we have demonstrated our ability to migrate businesses onto our platform. We use a disciplined approach to acquisitions to scale and integrate them into our broader ecosystem. By selecting acquisitions that complement our existing capabilities, we ensure seamless integration and synergy through our suite of solutions and cross-selling options. Our methodical execution and focus on strategic fit enable us to expand while maintaining operational efficiency and coherence within our ecosystem. For instance, our strategic rationale for M&As is grounded in the significant potential of the North American market. The TAM size for loyalty management is estimated to be USD 17 billion in Fiscal 2024 and is expected to reach USD 27.3 billion by Fiscal 2029. (*Source: Zinnov Report*) The loyalty industry is undergoing a marked phase of consolidation, driven by its highly fragmented structure and an urgent need for technological modernization. The smaller vendors often lack the necessary scale, capital, and talent to transition to modern, cloud-native architectures, leaving them ill-equipped to address the growing complexity and personalization demands of enterprise customers. (*Source: Zinnov Report*) We believe we have the capability to further penetrate into this market with our API-first platform built for scale, already powering loyalty programs for 16 Fortune 500 companies, as of March 31, 2025.

We target companies with Enterprise Customers which have license subscription revenue models, with enterprise sales and prevalent presence in North America, for acquisition. Technological obsolescence and investment constraints remain an urgent issue in this fragmented market with smaller firms operating on outdated systems and lacking the capital necessary for essential technological upgrades. (*Source: Zinnov Report*) For our Company, acquiring contracts and migrating customers also acts as a CAC substitute, where the length of time taken for value extraction from migration of acquired customers is comparable to organic sales and marketing efficiencies represented by our CAC as a % of Net Revenue and Payback Period.

By migrating acquired customers to our platform, we aim to boost EBITDA and gross margins and generate additional free cash flows. We believe we achieve these by a) transitioning all the central functions which include finance, human resources, information security, information technology support, work place services and other corporate functions to India b) transitioning parts of research and technology development and maintenance functions to India c) migration of technology platform where most service-based deliverables are automated through software solutions as opposed to dedicated human workforce. We focus on the acquisition Payback Period. Integration of acquired companies, significantly through migration of acquired customers from their legacy platforms operating on on-premise data centres to our scalable cloud-native loyalty platform, enables us to expand the scope of our service offerings to newer geographies and industry verticals. For further information, see " – *Proven Playbook to Integrate and Turnaround Acquired Businesses*" on page 267.

Certain key acquisitions undertaken by us in the past include:

	Persuade	Brierley	Rewards+^	Kognitiv
Acquisition Date	September 2021	April 2023	June 2023	May 2025
Acquisition Rationale	Entry into North America Growing business with marquee logos	CAC substitution with marquee brands and consulting value. Past Forrester leader	Adding Loyalty adjacency product features with entry to Europe and BFSI clients	CAC substitution with marquee brands with sticky revenues
No. of Fortune 500 Customers	3	2	4	3
Top two Industry Verticals Added	Consumer Goods Travel, Auto & Hospitality	Retail Travel, Auto & Hospitality	BFSI & Telecom Travel, Auto & Hospitality	Retail Travel, Auto & Hospitality
Migration Status	All continuing customers migrated	~50% of the clients already migrated. Rest to be migrated by Jun'25	Adjacent product; all customers migrated	Plan to complete migration in FY27
Acquisition Price (₹ Million)	1858.33	826.30	277.33	1467.03
Acquired Revenue (₹ Million)	388.94	1450.06	852.30	Not Applicable
Acquisition multiple (Acquisition Price / Acquired Revenue)	4.78x	0.57x	0.33x	Not Applicable

^ *We developed a new product named Rewards+ utilising the assets of Digital Connect business acquired from Tenerity LLC*

<u>*Persuade Group*</u>

Given the nature of the United States loyalty market, we evaluated acquisition opportunities and completed our acquisition of Persuade Group in the United States in September 2021. Our acquisition of Persuade Group strengthened our presence in the United States and added certain Fortune 500 companies as our customers which continue to be our customers, as of March 31, 2025. Our technology-first approach coupled with the experience of the Persuade Group's leadership team has helped enhance our presence in the United States. The acquisition of Persuade Group involved an investment of ₹ 1,858.33 million, and the total acquired revenue through Persuade Group acquisition was ₹ 388.94 million (where total acquired revenue represents revenue from operations earned by the Persuade Group from continuing operations in the fiscal in which the acquisition was completed, i.e., Fiscal 2022). Following acquisition, revenues of Persuade Group increased by 113.26% from ₹ 505.52 million in Fiscal 2023 to ₹ 1,078.08 million in Fiscal 2024 and by 96.83% to ₹ 2,121.95 million in Fiscal 2025, representing 19.80%, 20.53% and 35.47% of our revenue from operations in such Fiscals, respectively. Of the ₹ 2,121.95 million revenues generated by the Persuade Group in Fiscal 2025, 62.52%, i.e., ₹ 1,326.70 million was from new customers acquired post acquisition of Persuade Group. The remaining 37.48%, i.e., ₹ 795.25 million, earned from customers existing at the time of the acquisition in Fiscal 2022, represents a 3-year CAGR of 26.92% over the acquired revenue through Persuade Group acquisition of ₹ 388.94 million in Fiscal 2022. For further information, see "*– Focus Our Go-to-Market Strategy on Larger Enterprises and Penetrate Further in the United States*" on page 273.

<u>*Brierley and Partners*</u>

The acquisition of Brierley and Partners, Inc. ("**B+P**") (renamed as Capillary Brierley Inc.) in April 2023 aligns with our strategy to strengthen our presence in the North American market. B+P helps companies grow their capabilities in customer engagement and loyalty and design consulting offerings, positioning them to provide more comprehensive integrated solutions to their consumers. B+P's brand recognition and expertise in loyalty strategy and design consulting complement our existing offerings. B+P has over 30 years of expertise in loyalty strategy and design consulting, Additionally, their proprietary Brierley Loyalty Quotient ("**BLQ**") framework, a scoring system developed to evaluate and benchmark the effectiveness of loyalty programs across several key dimensions, further strengthens our offerings. This integration allows us to provide insightful loyalty solutions to our customers. The acquisition of B+P involved an investment of ₹826.30 million, including buyout costs, severance payouts, and migration expenses and the total acquired revenue through B+P acquisition was ₹ 1,450.06 million in Fiscal 2024. We believe this investment will yield returns through enhanced market presence and increased revenue streams.

The leadership team at B+P has personnel with experience in loyalty and customer engagement. B+P's customer base includes well-known brands such as Hertz, a Canadian-American chain of convenience stores, and an American multinational mass media corporation. Integrating these customers onto our platform has enhanced our market presence and customer reach. We are in the process of migrating B+P's customers to our platform, ensuring transition and minimal disruption.

Rewards+ Acquisition

We developed a new product named *Rewards+*, utilising the assets of Digital Connect business acquired from Tenerity LLC in June 2023. This acquisition allowed us to enhance our product suite with a rewards and redemption platform, enhancing our ability to offer personalized and engaging customer experiences and enable us to offer end-to-end loyalty solutions. This acquisition was also part of our strategic move to expand our presence in the European Union ("**EU**") market, a region with significant growth potential for loyalty and customer engagement solutions. (*Source: Zinnov Report*). We believe that the EU market represents a substantial opportunity for us to expand our customer base and drive revenue growth. *Rewards+* has a customer base that includes leading BFSI and telecommunication companies such as a Spanish multinational financial services company, a Canadian multinational banking and financial services corporation, and a British multinational telecommunications company. This acquisition involved an upfront investment of ₹ 277.33 million and the total acquired revenue was ₹ 852.30 million in Fiscal 2024. Following acquisition, revenues of *Rewards+* increased by 19.86% from ₹ 852.30 million in Fiscal 2024 to ₹ 1,021.57 million in Fiscal 2025, representing 16.23% and 17.08% of our revenue from operations in such years, respectively.

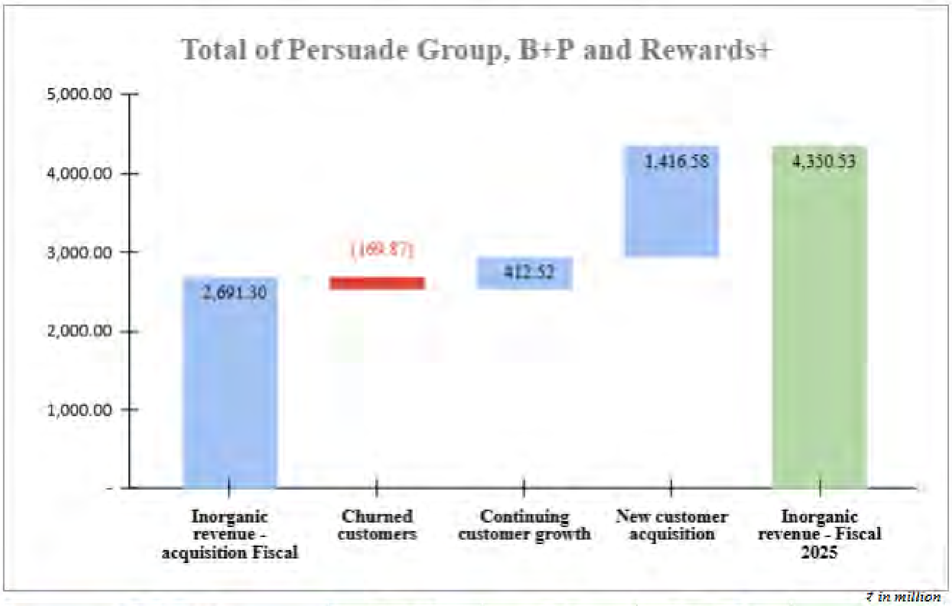
Of the ₹ 1,021.57 million revenues generated by *Rewards+* in Fiscal 2025, 91.12%, i.e., ₹ 930.82 million was earned from customers, existing at the time of the acquisition in June 2023 and that have continued their relationship with us post integration, which grew at 39.73% from ₹ 666.16 million earned from the same customers in Fiscal 2024, representing 78.16% of Rewards+ acquired revenue in Fiscal 2024. The remaining 21.84%, i.e., ₹ 186.14 million of acquired revenue in Fiscal 2024 was earned from customers who terminated their contracts with us through non-renewals leading to reduced revenues of ₹ 0.87 million from these customers in Fiscal 2025.

Overall inorganic growth in the last three acquisitions

In Fiscal 2025, our three acquisitions, namely, Persuade Group, B+P, and the *Rewards+* Acquisition, collectively generated revenues of ₹ 4,350.53 million, representing a 61.65% increase over the aggregate acquired revenue from operations of ₹ 2,691.30 million in the respective Fiscals in which the acquisitions were consummated. This expansion further demonstrates the efficacy of our post-merger integration strategy and the scalability of our platform.

Of the ₹ 4,350.53 million of revenues collectively generated in Fiscal 2025 by the aforementioned three acquisitions, ₹ 2,916.18 million was earned from customers that were existing at the time of the respective acquisitions and have continued their relationship with us post integration. This represents an average annual compounded growth rate of 16.48% over the acquired revenue earned from the same customers in the respective Fiscals in which the acquisitions were consummated and reflects our ability to retain and expand revenue from acquired customer relationships and validates the durability of our platform-led value proposition. New customers acquired post acquisition contributed to ₹ 1,416.58 million in Fiscal 2025 of the ₹ 4,350.53 million of revenues collectively generated in Fiscal 2025 by the aforementioned three acquisitions underscoring the synergy between our core sales engine and acquired teams. This represents 32.56% of total inorganic revenue in Fiscal 2025 and underscores our ability to derive incremental value beyond the existing customers acquired by embedding acquired assets into our go-to-market framework. The balance ₹ 17.77 million of revenue from operations in Fiscal 2025 was generated from customers, significantly in the Persuade Group, who have churned during the Fiscal either through non-renewals or transition-related attrition. Along with the aforementioned ₹ 185.27 million revenue lost in Fiscal 2025 in Rewards+, the total inorganic churn represents a significant portion of the impact of loss of customers in our overall business. Given the nature of our platform-led migration strategy, churn will continue to be a structural feature of our inorganic growth model as is observed in the Rewards+ Acquisition and in ongoing discussions with acquired customers through the Persuade Group and B+P acquisitions. In particular, acquired customers operating on legacy, service-heavy platforms may not always align with our cloud-native, product-first delivery model, especially as we transition service-based deliverables to software-driven automation. This risk is factored into our mergers and acquisitions approach and acquisition pricing, and we remain focused on maximizing near-term value realization and margin improvement, while ensuring long-term alignment with our scalable technology stack.

Overall, the ₹ 4,350.53 million revenue from operations earned in Fiscal 2025 from these acquisitions is composed of: (i) ₹ 2,916.18 million from continuing acquired customers, (ii) ₹ 1,416.58 million from new customers acquired post acquisition, and (iii) ₹ 17.77 million from churned customers, against an initial acquired revenue of ₹ 2,691.30 million. These performance vectors, namely, initial acquisition revenue, retained customer revenue, New ACV addition and churned customer monetization enable us to evaluate acquisition effectiveness. Reinforcing our strategy to not just acquire revenue, but to improve its quality, retention, and scalability through platform integration and operating leverage. The below infographic depicts our inorganic revenue from the following three acquisitions:



₹ in million

Particulars	Persuade	B+P	Rewards+	Total
Inorganic revenue - acquisition Fiscal	388.94	1,450.06	852.30	**2,691.30**
Churned customers	15.40	-	(185.27)	**(169.87)**
Continuing customer increase / (decrease)	390.90	(243.04)	264.66	**412.52**
New customer acquisition	1,326.70	-	89.88	**1,416.58**
Inorganic revenue - Fiscal 2025	**2,121.94**	**1,207.02**	**1,021.57**	**4,350.53**

Kognitiv

We acquired Kognitiv in May 2025. Kognitiv is an established loyalty technology provider operating primarily in the North American market. Kognitiv provides an enterprise-grade loyalty SaaS solution that powers programs across multiple sectors, including retail, travel, auto and hospitality, BFSI and telecommunications. Its customer base include prominent BFSI and telecommunication companies and geographically it has also added a few additional countries where we had no presence such as Australia and New Zealand.

Our post-acquisition strategy is designed in two distinct phases. Initially, we plan to operate Kognitiv's flagship loyalty platform independently while we build feature parity and necessary enhancements into our own platform to ensure uninterrupted service for existing customers and enable a smooth transition. Subsequently, we will initiate migration of customers onto our own platform and thereby eliminating duplicate platform costs, achieve other operational synergies, and improve scalability across the unified customer base.

OUR STRENGTHS

Market Leader in Loyalty Solutions

We provide a comprehensive set of AI-led SaaS products for customer relationship management ("**CRM**") and the loyalty management industry. With a decade-long track record, we have established ourselves as a leader in the global loyalty solutions industry in terms of email marketing tools, marketing automation platforms, loyalty solutions, rewards programs, account-based marketing tool ("**ABM**"), customer support tools, CDP, CRM and analytics / business intelligence tools in Fiscal 2025. (*Source: Zinnov Report*) For further information see, "*Industry Overview*" on page 209. Our expertise, advanced technology, and ability to deliver measurable business impact have enabled a significant client base including Fortune 500 companies across industries. (*Source: Zinnov Report*) Unlike traditional solutions that focus on isolated aspects of loyalty (*Source: Zinnov Report*), our loyalty management platform (*Loyalty+*), connected engagement platform (*Engage+*), predictive analytics platform

(*Insights+*), rewards management platform (*Rewards+*) and a CDP allow our customers to run end-to-end loyalty programs throughout the customer value chain, and provide an integrated approach that combines customer data, advanced analytics, and AI-driven engagement. This holistic approach enables businesses to foster consumer relationships, drive customer retention, and increase revenue, reinforcing our market leadership.

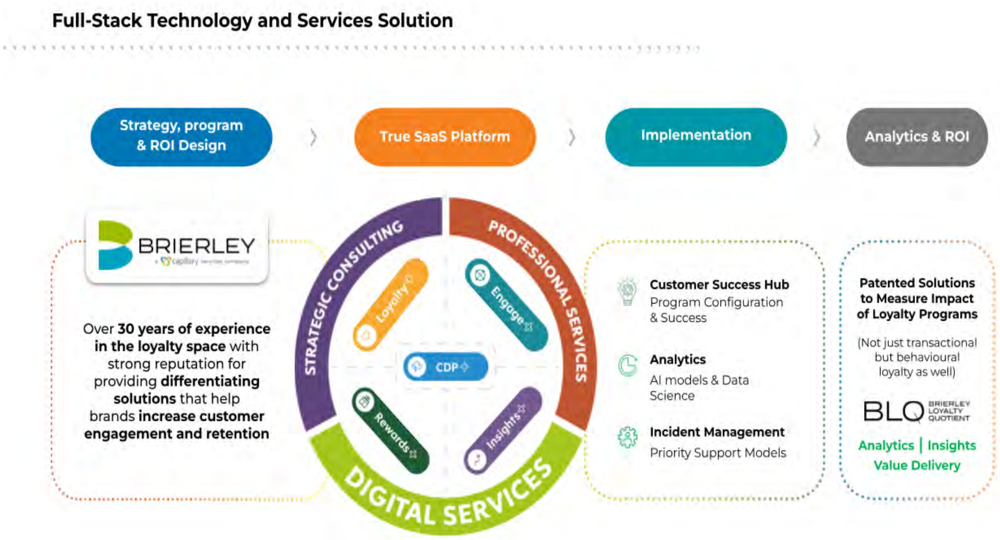
We have been identified as a leader and a strong performer in various reports by Forrester in Fiscal 2023. We have been featured in multiple reports by Forrester, Gartner, Everest and Quadrant Knowledge Solutions. Some of the mentions are as below:

Featured by	Particulars of the Report
Forrester	Recognized as a notable vendor in "*The Customer Data Platforms For B2C Landscape*", Quarter 1, 2024
	Recognized as a notable vendor in "*The Real-Time Interaction Management Landscape*", Quarter 4, 2023
	Recognised as a leader in "*The Forrester Wave™: Loyalty Technology Solutions*", Quarter 1, 2023
	Recognized as a strong performer in "*The Forrester Wave™: Cross-Channel Marketing Hubs*", Quarter 1, 2023
	Recognized as a leader in "*The Forrester Wave™: Channel Incentive Management*", Quarter 1, 2022
Gartner	Recognised as a notable vendor in the "*Gartner Market Guide for Loyalty Program Vendors*", 2023
	Recognized as a vendor in the "*Gartner Market Guide for Partner Relationship Management Applications*"
Everest	Recognized as a Leader in Loyalty Solutions PEAK Matrix® Assessment, 2024
	Recognized as a Leader in Loyalty Services PEAK Matrix® Assessment, 2024
	Recognized as a Major Contender in Customer Data Platform (CDP) Products PEAK Matrix® Assessment 2023
Quadrant Knowledge Solutions	Recognized as a major player in "*Customer Loyalty Solutions*", Quarter 2, 2025

In our experience, we create exit barriers for customers by offering solutions that provide value and convenience. Our loyalty programs, include instant rewards, personalized benefits, and robust security measures. These features make it difficult for customers to switch to competitors, as they would lose out on these incentives. This approach not only helps us avoid losing our customers to competitors but also expands share of wallet by fostering deeper loyalty and ongoing engagement. Our NRR rate was 121.25%, 112.68% and 139.01% for Fiscals 2025, 2024 and 2023, respectively, with churn rate of 5.98%, 5.61% and 9.68% for the respective Fiscals. Our solutions have contributed to a consistent increase in the number of consumers on our platform consistently over the years. Number of consumers hosted by our platform has increased to over 1.26 billion as of March 31, 2025 from over 1.13 billion, as of March 31, 2024 and over 0.97 billion, as of March 31, 2023.

Comprehensive Solutions for Diverse Segments

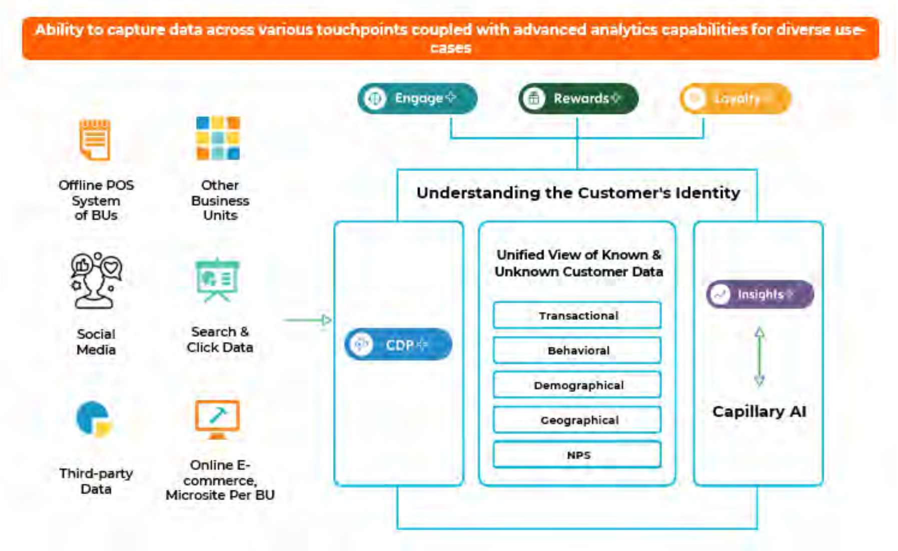
We provide a full-spectrum loyalty management platform designed to address a wide range of use cases across industries. Our core offerings include:



- *Loyalty+. A configurable, AI-powered loyalty program software that enhances brand engagement and repeat purchases.*
- *Insights+*. An analytics platform that aggregates multi-channel consumer data, cleanses and enriches it, and provides actionable insights.
- *Engage+*. An advanced customer engagement tool leveraging AI to enable hyper-personalized interactions and marketing campaigns.
- *Rewards+*. A dynamic rewards marketplace offering gift cards, cashbacks, travel redemptions, and exclusive partner deals.
- ***CDP***. Our customers are offered a comprehensive view of each consumer along with their transactional and behavioral activity across channels through our underlying CDP. It helps our customers decipher real-time interactions of consumers by applying AI and ML capabilities.

For further information see, " – *Our Products*" on page 248.

Our solutions are adaptable and scalable and are used across a diverse range of industries including retail, financial services, travel, hospitality, healthcare and consumer packaged goods.



Loyalty is different for different verticals. Our platform supports multiple use cases, enabling enterprises to integrate loyalty programs with their broader customer engagement strategies. Certain of these use cases are set out below:

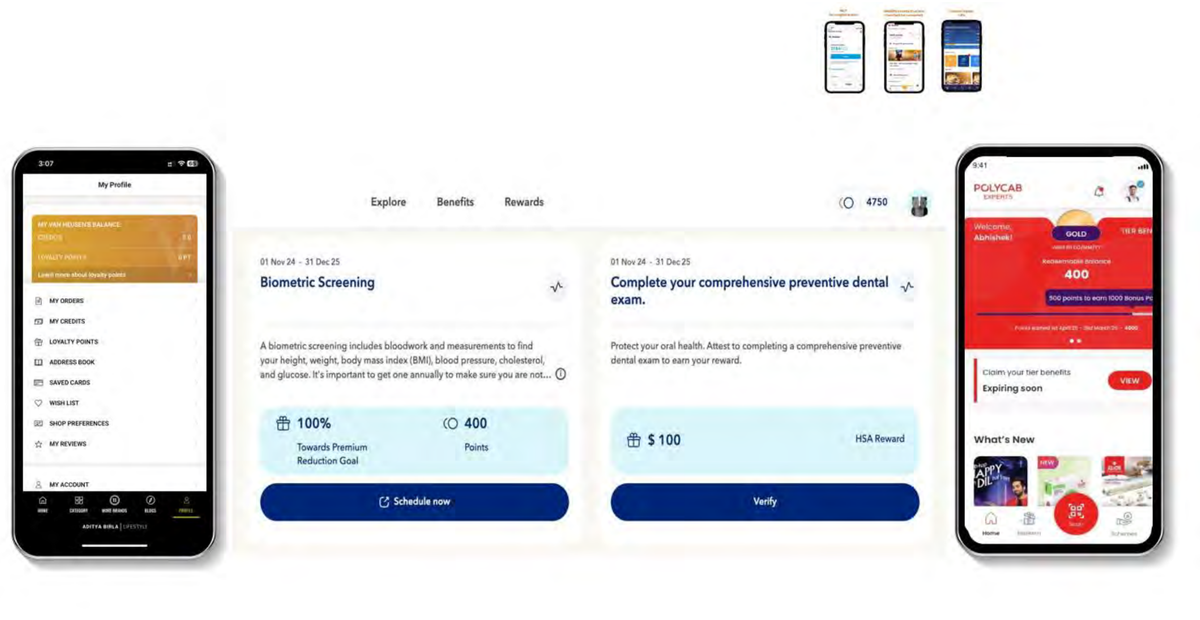
- ***Multiple loyalty program and coalitions for retailers and conglomerates.*** Our multiple loyalty program functionality allows retailers and conglomerates to manage multiple loyalty schemes under one platform, and helps to customize rewards and integrate with existing systems. Additionally, our coalition loyalty programs enable strategic partnerships between non-competing brands, allowing consumers to earn and redeem points across all participating businesses. This approach enhances customer engagement and satisfaction by providing diverse and attractive rewards while maintaining flexibility and ownership for each business. This functionality has enabled us to secure Enterprise Customers including Tata Digital, one of UAE's diversified conglomerates, and ABFRL. For further information, see "*Case Studies – Aditya Birla Fashion Limited*" on page 282.

- ***Customer and fleet loyalty for energy retail.*** Our ability to run customer loyalty and fleet loyalty simultaneously on the same platform has helped us acquire notable customers in the energy retail industry including global energy and petrochemical companies. Our loyalty programs for customers of energy retail outlets enable oil and gas companies to retain their consumers not only through their products and services but also through the overall experience of a fuel station. Whereas, fleet loyalty is similar but focuses on businesses with large vehicle fleets, such as trucking companies. These programs offer benefits like discounts to keep fleet operators satisfied and loyal to the platform. Both types of loyalty programs help businesses retain consumers and improve their operations.

- ***Channel loyalty for consumer packaged goods.*** In the CPG vertical, channel loyalty refers to strategies aimed at building relationships with retailers, distributors, and other intermediaries who help bring products to market. We offer a comprehensive loyalty management solution for CPG brands that focuses on engaging and incentivizing these channels. Our platform captures valuable data across various touchpoints, using AI and ML to provide predictive recommendations, and offers personalized incentives to drive desired behaviors. A number of CPG brands use influencer loyalty programs to reward people who help promote and sell a company's products, such as electricians, and electrical goods retailers. We introduced instant rewards, medical insurance, and scholarships, in their influencer loyalty program, making the program more attractive and beneficial. For further information, see "*Case Studies – Influencer loyalty program for a prominent Indian electrical goods company*" on page 281.

- ***Earn-and-burn mechanism for healthcare loyalty programs.*** We provide a comprehensive loyalty platform featuring an earn/burn mechanism linked to consumers' health and fitness milestones, encouraging sustained healthy behavior. The platform supports both direct payers and those enrolled through employer programs, offering personalized incentives and a redemption marketplace. Consumers can earn rewards by achieving fitness goals and other wellness activities, which can then be redeemed across a curated catalog. This not only boosts engagement and retention but also aligns with preventative care objectives of consumers.

- ***Card linked offers in banking, financial services, and insurance.*** Our *Rewards+* platform powers loyalty solutions for large commercial banks. Offering an ecosystem of rewards and redemption options, the platform also enables a suite of next-generation engagement features, personalized offers and messaging powered by AI and customer behavior analytics. These features enhance the consumer experience, turning routine banking interactions into dynamic, rewarding journeys that boost both retention and brand affinity. Additionally, our vast partner network allows banks to provide their consumers with a wide array of benefits, including card-linked offers, coupons, gift cards, cashback, and discounts and other offers on categories such as entertainment, travel, retail, and dining. These capabilities help financial institutions drive consumer engagement, retention, and transaction frequency.

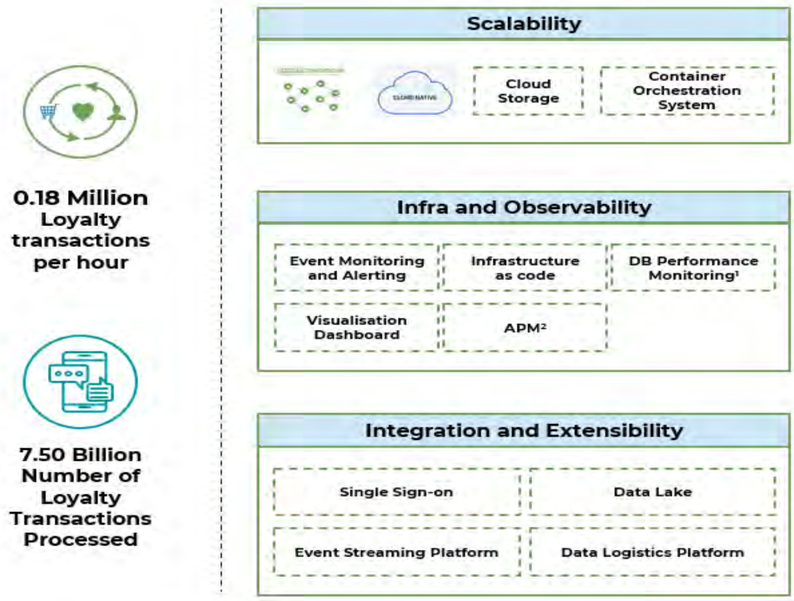


Positioning ourselves at the intersection of these areas with specialized use cases enables us to offer consolidated value to our customers. Further, our co-innovation model, involving collaboration with customers to design and improve loyalty programs leverages the insights and ideas of those who use the programs, ensuring they meet real time needs and preferences. By involving customers in the innovation process, we help create more effective and engaging loyalty solutions that drive satisfaction and retention. This provides our customers with the benefit of a consumer friendly, configurable platform and extensibility of an API-first platform that enables them to innovate and build on top of their existing solutions.

Scalable Cloud-Based Infrastructure with Seamless Integration

Our technology infrastructure is built on a scalable, cloud-based architecture that allows our customers to process large volumes of data on a real-time basis and ensure speed and stable performance on a large scale to accommodate and support the increased complexity and diversity of their business operations. Our cloud platform is built to integrate seamlessly with the customer's existing technology stack.

The infographic below sets out the scalability of our platform.



1. *DB Performance Monitoring – Database Performance Monitoring*
2. *APM – Application Performance Monitoring*

(As of March 31, 2025)

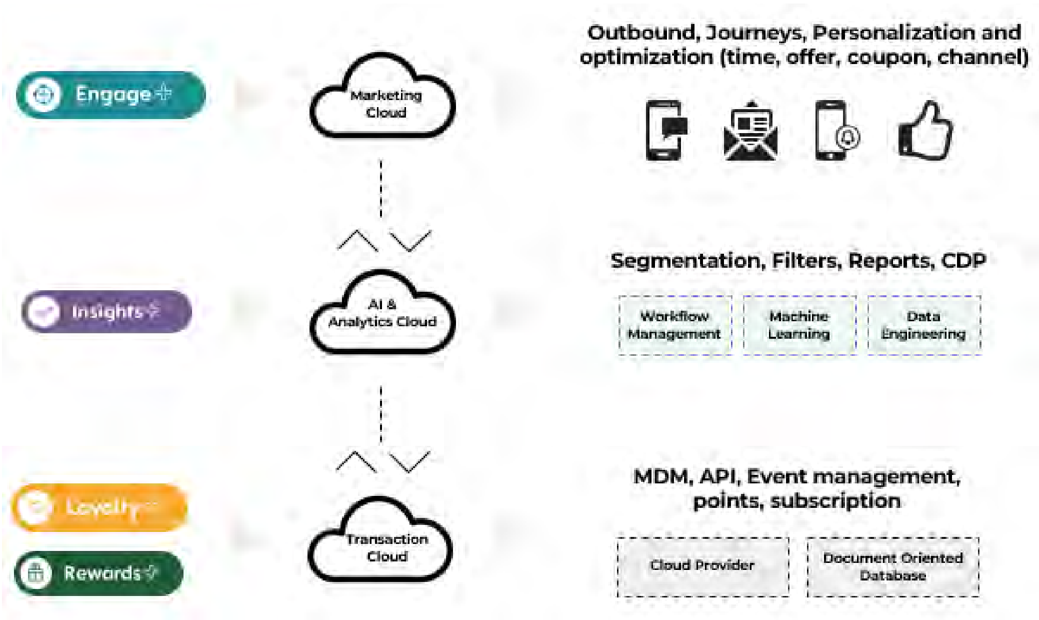
As of March 31, 2025, we served more than 390 brands. The number of consumers on our platform have also increased consistently over the years. Number of consumers hosted by our platform was over 1.26 billion, over 1.13 billion and over 0.97 billion, as of March 31, 2025, 2024 and 2023, respectively. We processed 0.18 million, 0.15 million and 0.10 million loyalty transactions per hour in Fiscals 2025, 2024 and 2023, respectively. Our platform is proven to handle large volume of transactions and dynamic swings in usage thus garnering a significant client base including Fortune 500 companies. (*Source: Zinnov Report*) We have built an ecosystem that drives consumer loyalty and satisfaction. The scale of our operations, coupled with brand trust, have contributed to our positioning as a loyalty partner for enterprises globally. (*Source: Zinnov Report*)

Key factors that differentiate our platform include:

- *Scalable cloud-based architecture*. Our cloud-native platform supports real-time data processing, ensuring speed and stable performance at scale.
- *Enterprise-grade security and compliance*. Our solutions comply with global standards such as Service Organization Control Type 2 (SOC2), Payment Card Industry Data Security Standard (PCI DSS), and ISO 27001:2013, offering superior security and reliability.
- *Vertical Focused Solutions:* We offer diverse vertical wide loyalty solutions. In the last three Fiscals added customers in the energy retail, CPG, healthcare and BFSI and telecommunications verticals.
- *Seamless API integrations*. Our API-first architecture ensures smooth interoperability with existing enterprise systems, enabling effortless deployment and customization.

We are able to integrate solutions offered by payments providers, marketing platform players, and analytics platforms with our platform. We amalgamate transactional systems that payment providers typically focus on with seamless workflow management, and AI-driven efficient data management and analytics.

The following infographic sets out our platform integration process.



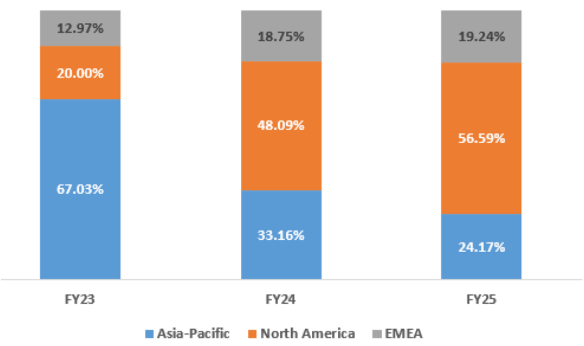
Notes:

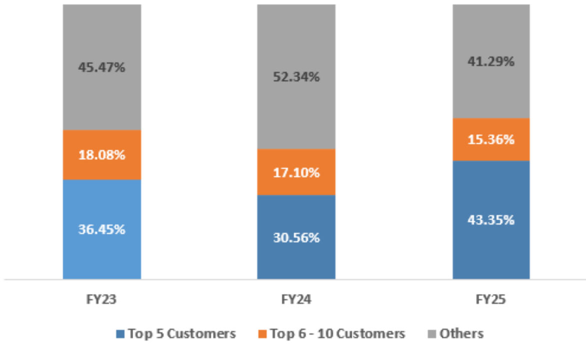
AI – Artificial Intelligence
CDP – Customer data platform
MDM – Mobile Device Management
API – Application Programming Interface

Diverse Long-Term Customer Relationships with High Net Revenue Retention

We serve a diverse customer base spanning a range of verticals including departmental stores, apparel, lifestyle and luxury, conglomerates, travel, auto and hospitality, consumer goods, healthcare and energy retail.

The following infographic depicts percentage of revenue from operations split across our customers in terms regions and percentage of revenue of operations concentration among top customers for the years indicated:





In Fiscals 2025, 2024 and 2023, revenue from our top 5 customers was ₹ 2,593.00 million, ₹ 1,604.65 million and ₹ 930.60 million, respectively while revenue from our top 10 customers was ₹ 3,511.78 million, ₹ 2,502.11 million and ₹ 1,392.18 million, respectively. The strength of our relationships with our customers allows us to generate additional revenues through up-selling and cross-selling opportunities.

Set forth below are details of our revenues derived from Enterprise Customers in the corresponding years:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from operations from Enterprise Customers	5,818.44	97.26%	5,125.64	97.61%	2,342.97	91.75%

We typically enter into long-term engagements with our customers. We have a history of high customer retention and derive a significant proportion of our revenues from repeat business built on our successful execution of prior engagements. The agreements we enter into with our customers are typically renewed on an annual basis or in some cases are for a period of three to ten years or unless terminated by either party to an agreement. The minimum term of contracts with our Company's top 10 customers during Fiscal 2025 is three years. Our long-term relationships with marquee clientele is demonstrated by the average length of our relationship of over 2.5 years with our top 10 customers, as of March 31, 2025.

A key aspect of our success is our ability to forge long-term relationships with leading global brands. A significant portion of our NRR is driven by growth of our existing customers, demonstrating our ability to grow alongside our customers. Our NRR has been robust and was 139.01% in Fiscal 2023, 112.68% in Fiscal 2024 and 121.25% in Fiscal 2025. Our NRR underscores our effectiveness in increasing customer spend through upselling and cross-selling of solutions; enhancing engagement with existing brands, resulting in long-term contract renewals; and consistently adding new Enterprise Customers to our expanding portfolio.

We serve a number of customers that includes both enterprise and small and medium-sized businesses across industries and geographies and as of March 31, 2025, we served enterprise customers including 16 Global Fortune 500 companies present across 25 countries. Certain of our key customers include Tata Digital, ABFRL, Dominos Pizza Indonesia, PT Blue Bird Tbk, Aditya Birla Fashion Limited, Arvind Fashions Limited, Metro Brands Limited, Puma Sports India Private Limited, Vishal Mega Mart and InterGlobe Aviation Limited. In the last three Fiscals, we have added Global Fortune 500 companies such as an American healthcare company that provides technology services, pharmacy care services and various direct healthcare services and a global energy and petrochemical company to our portfolio of customers.

We believe that we are core to our customers' success, well embedded in our customers' workflow and processes, and therefore, resulting in entry barriers and switching costs. We experienced negligible churn rates of 5.98%, 5.61% and 9.68% for Fiscals 2025, 2024 and 2023, respectively. Our multiple API integrations enable seamless connectivity with various brand systems, ensuring smooth operations and data flow. Our deep integration with brands ensures a high level of customer stickiness, with multi-year engagements reinforcing our value proposition.

Strong Sales Engine and Partnership Network Resulting in Addition of New Brands

We have a successful track record of adding new brands through organic growth and strategic acquisitions. Our customer acquisition strategy is driven by a combination of direct sales efforts and an extensive partner network. The acquisition and integration of Persuade Group in Fiscal 2021 enabled us to enhance our capabilities and expand our reach in new verticals such as healthcare, with the notable entry of an American healthcare company that provides technology services, pharmacy care services and various direct healthcare services. Over the last three Fiscals, we have added multiple new customers including Masan Group Corporation, a Spanish multinational financial services company, a Canadian multinational banking and financial services corporation, a British multinational telecommunications company, is a major retail and commercial bank in the United Kingdom, an Indian adhesives manufacturing company and an American healthcare company that provides technology services, pharmacy care services and various direct healthcare services. As of March 31, 2025, 2024 and 2023, we served 98, 111 and 112 customers and 393, 398 and 339 brands, respectively.

We are able to drive customer additions through:

- *Sales Infrastructure*. A dedicated go-to-market team across multiple geographies focusing on enterprise-level sales and strategic partnerships. As of March 31, 2025, our sales team comprised 13 employees and present across North America, Middle East, and South East Asia.

- *Partner Ecosystem*. Collaborations with system integrators and channel partners enhance our reach and credibility in the industry. As of March 31, 2025 we had 11 collaborations (system integrators and channel partners) and New ACV added from these collaborations were ₹ 671.53 million, ₹ 335.07 million and ₹ 132.75 million in Fiscals 2025, 2024 and 2023, respectively. Our partners are large system integrators and channel partners which have relationships with corporates across Asia.

- *Cross-Sell and Upsell Opportunities*. Our modular platform enables enterprises to scale their loyalty solutions, creating opportunities for expanded engagement.

Our ability to leverage both direct and indirect sales channels ensures consistent business growth and revenue potential.

Artificial Intelligence-driven Innovation

We leverage AI-driven innovation to enhance customer engagement and loyalty. Our solutions are powered by Artificial Intelligence Retail Analytics ("**aiRA**"), an advanced AI-powered assistant designed to enhance customer engagement, launched in May 2023. It uses generative artificial intelligence and retrieval-augmented generation to provide real-time answers to customer queries by accessing complex databases.

Over the last three years we have enhanced our AI-capabilities through feature enhancements like introducing both *Creatives Co-Pilot* and *Promotions Co-Pilot* in Fiscal 2024 our solutions portfolio. Our AI-driven innovations help us increase customer retention and engagement.

Our campaign and promotions AI co-pilots include:

Creatives Co-Pilot. Our *Creatives Co-Pilot* allows customers to provide instructions to our content recommendation bot. This bot generates a variety of messages based on requirements. Customers can adjust emotions, tonality, and other subtleties of each message to meet specific needs. Additionally, features such as multilingual support and availability across different campaign streams including email, SMS, social media and push notifications, enable customers to create effective and relevant marketing content. Our co-pilot mode supports real-time feedback capture and continuous improvement.

Promotions Co-Pilot. Our *Promotions Co-Pilot* creates promotions, milestones, rewards, and complex workflows, saving time typically required in manual execution. The co-pilot generates inference based on the use case entered by the promotion builder and sets up the desired promotion with relevant rules, fields, points, and coupons.

To further our focus on improving our AI-capabilities we host events such as *Captivate* to explore how digital innovation is reshaping customer loyalty management.

We leverage AI to automate complex analytical solutions such as:

Propensity modelling. Used to predict customer behaviors and actions, such as the likelihood of making a purchase, redeeming a reward, or discontinuing a service. By analyzing historical data, these models help understand and anticipate customer actions. For example, we use propensity modeling to identify which customers are most likely to respond to a specific promotion or to predict which customers are at risk of churning. Enabling us to optimize marketing strategies, personalize customer experiences, and improve overall customer retention.

Personalization, and micro-segmentation. Personalization tailors programs to individual customer preferences using data like purchase history and online behavior, enhancing engagement and satisfaction.

Offer and channel propensity. Offer propensity predicts the likelihood of a customer responding to a specific offer, while channel propensity predicts the most effective communication channels for reaching them. These techniques help us deliver personalized and effective loyalty programs.

*Recency, Frequency and Monetary ("**RFM**") segmentation.* Recency refers to how recently a customer made a purchase. Frequency measures how often a customer makes purchases, and monetary value indicates how much a customer spends. Together, these metrics form RFM segmentation, technique used to categorize customers based on their purchasing behavior, helping us tailor marketing strategies.

K-means clustering. A technique used to segment customers into distinct groups based on shared characteristics. By analyzing data points like purchase history, frequency, and spending, we identify patterns and create targeted loyalty programs for different customer segments. This method helps us in understanding customer behavior and tailoring marketing strategies to enhance engagement and retention

These functionalities help customers personalize their consumer engagement better and we believe that this sets us apart from our competitors.

Our approach to AI and ML innovation is led by:

AI-Powered Copilots to Drive User Productivity: We embed co-pilots across our product suite to assist marketers, CRM managers, and analysts. These co-pilots streamline workflows such as campaign creation, customer journey orchestration, and performance analysis – reducing execution time while increasing effectiveness.

Proprietary ML Models for Customer Intelligence: Our platform leverages proprietary ML models to power predictive use cases including churn risk, next-best action, and customer lifetime value. These models are trained on multiple data points across industries, helping brands deliver personalized and revenue-maximizing experiences.

Conversational and Generative Interfaces: We are integrating generative AI and large language models into our user interface to enable conversational experiences. This lowers the barrier for non-technical users, allowing them to perform complex tasks—such as audience segmentation or report generation—through intuitive, natural language interactions.

Enablers to effective AI and ML innovation include:

Data Flywheel and Continuous Learning: Our integrations across offline and digital channels create a virtuous data loop, where every consumer interaction enriches our ML models. We believe this self-reinforcing flywheel improves prediction accuracy and contextual recommendations over time.

AI-First Product Development Approach: We follow an AI-native product strategy where features like autonomous campaign suggestions, predictive offers, and automated testing are not add-ons but central to product design. This ensures our customers see measurable outcomes such as increased return on investment and stronger consumer retention.

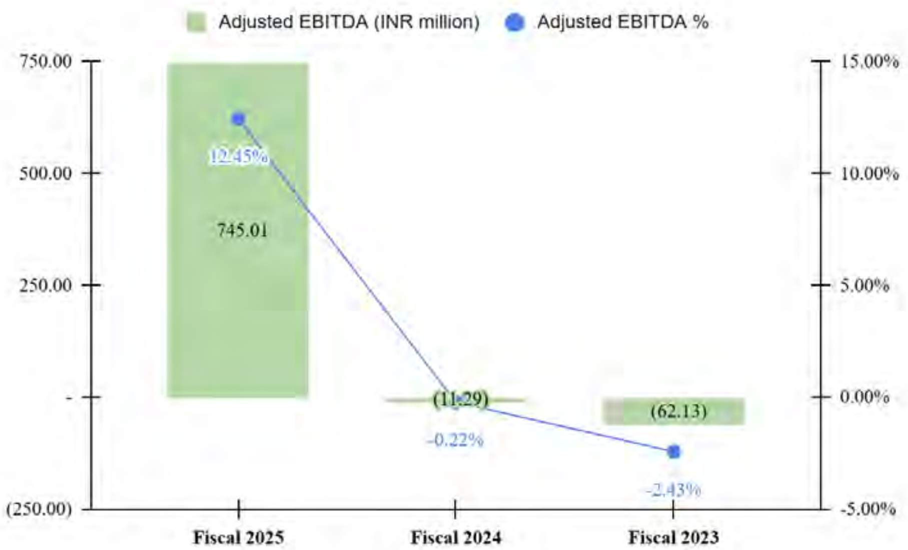
Scalable and Modular AI Infrastructure: Our AI stack is designed to be modular, scalable, and compliant across geographies. This allows rapid deployment of models tailored to specific industries and use cases.

Proven Playbook to Integrate and Turnaround Acquired Businesses

The TAM size for loyalty management market in North America is estimated to be USD 7.8 billion in Fiscal 2024 and is expected to reach USD 9.9 billion by Fiscal 2029. The loyalty industry is undergoing a marked phase of consolidation, driven by its highly fragmented structure and an urgent need for technological modernization. The overall global market is projected to grow at 9.9% in the next five years and North America holds the largest market share, followed by Europe and Asia Pacific. (*Source: Zinnov Report*) Our disciplined approach to acquisitions has allowed us to scale businesses and integrate them into our broader ecosystem. For instance, following our acquisition of Persuade Group in September 2021, we established a significant presence in the United States. Persuade Group has multiple Fortune 500 companies as its customers. Certain customers of Persuade Group include an American sporting goods and entertainment chain store and a Japanese company manufacturing optical products. Our revenues from operations have grown from ₹ 2,553.72 million in Fiscal 2023 to ₹ 5,982.59 million in Fiscal 2025 at a CAGR of 53.06%, while Persuade Group has delivered revenues of ₹ 2,121.95 million, ₹ 1,078.08 million and ₹ 505.52 million for Fiscals 2025, 2024 and 2023, respectively. We have scaled our operations to handle increased transaction volumes and optimize costs.

In addition, our acquisition of B+P in Fiscal 2024 resulted in the business improving its contribution margin to ₹ 134.53 million at 11.15% in Fiscal 2025 from ₹ (51.95) million at (3.58)% in Fiscal 2024, thereby enhancing our overall profitability. Similarly, following the addition of *Rewards+* to our product suite following the acquisition of assets of Digital Connect business of Tenerity LLC in June 2023 (subsequently developed and named as *Rewards+*), the business achieved break-even post-acquisition through operational efficiencies and revenue expansion, the contribution margin for Rewards+ improved from ₹ (16.26) million at (1.91)% in Fiscal 2024 to ₹ 151.85 million at 14.86% in Fiscal 2025.

We have achieved the turnaround in EBITDA and contribution margin by transitioning all the central functions which include finance, human resources, information security, information technology support, workplace services and other corporate functions to India, transitioning parts of research and technology development and maintenance functions to India, and migration of technology platform where most service- based deliverables are automated through software solutions as opposed to dedicated human workforce. The infographic below depicts our Adjusted EBITDA and Adjusted EBITDA Margins for the years indicated.



Further, migrating B+P customers to our platform has led to significant synergies, enabling these customers to leverage our advanced AI-driven solutions, enhancing our marketing and customer engagement strategies. By integrating with our platform, B+P customers benefited from personalized campaign automation, real-time insights, and improved efficiency. This migration fostered customer loyalty, streamlined operations, and drove business growth through collaboration and innovation.

The table below summarizes our key acquisitions:

S. No.	Acquisition	Year of Acquisition	Region of Acquired Entity / Asset	Consideration (in million)	Consideration (₹ in million)	Acquisition Rationale
Persuade Group						
1.	Persuade Loyalty, LLC (*renamed to Capillary Technologies LLC*)	2021	USA	USD 15.00	1,076.25**	Persuade complements our product and service offerings and has enabled us to enter the US region
	Persuade Holdings, Inc.#	2021	USA	USD 10.90	782.08**	
B+P						
2.	Brierley & Partners, Inc. (*renamed to Capillary Brierley Inc.*)	2023	USA	USD 10.06	826.30**	To strengthen our presence in the North American market and enhance our consulting capabilities. B+P's brand recognition and expertise in loyalty strategy and design consulting complements our existing offerings.
3.	Brierley Europe Limited (*renamed to Capillary Technologies Europe Limited*)	2023	UK	USD 0.0001	0.0082**	Brierley has been recognised as a leader in the past by a research and advisory firm. Their loyalty consulting and design service offering also complemented our overall offerings and added to our product and service suite
Rewards+ Acquisition						
4.	Assets of Digital Connect business^	2023	UK and USA	USD 3.36	277.33**	To expand our Company's presence in the European Union market, for loyalty and customer engagement solutions, in addition to supplementing our product suite with the rewards and redemption platform.
Internal restructuring						
5.	Capillary Technologies Inc. **	2023	USA	SGD 0.01	0.78**	To enhance operational efficiency in the USA, CTL acquired 100% stake in Capillary Technologies Inc. from one of our Promoters, CTIPL with the intention of consolidating the businesses in the USA
Kognitiv Group						
6.	Kognitiv*	2025	USA and Canada	CAD 17.28	1,026.95$	It is an established loyalty technology provider operating primarily in the North American market. Acquisition rationale was to operate Kognitiv Group's flagship loyalty platform independently while building feature parity and necessary enhancements into our own platform to ensure uninterrupted service for existing customers and enable a smooth transition.
				CAD 4.39	260.79$	
				CAD 2.33	138.58$	

[**] Consideration paid in ₹ million are traced from our book of accounts at the time of acquisition, except the consideration paid for the acquisitions of Kognitiv.
[$] Conversion rate used for the INR amounts for Kognitiv acquisitions is as of March 31, 2025 being the date of the Asset Purchase Agreement, i.e., 1 CAD = ₹59.43 (Source: www.x-rates.com).
[*]Kognitiv includes acquisition of shares of Kognitiv Solutions Inc., incorporated in Canada and assets consisting of business intellectual property rights of Loyalty Solutions Holdings US Inc. and certain assets and liabilities of Kognitiv US LLC with effect from May 1, 2025.
[^] We developed a new product named Rewards+, utilising the assets of Digital Connect business acquired from Tenerity LLC
[#] The entity was closed on June 2, 2023 on account of internal restructuring and there was no continuing business in the entity.
This acquisition from one of our promoters was for the purposes of consolidation of businesses in the United States and does not form part of our strategic acquisitions under our inorganic growth path.

For further information, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 310.

We have developed a playbook for managing acquisitions and their integration. This framework includes strategies for offering discounts and managing customer transitions. Our ability to identify acquisition targets, integrate them seamlessly, and drive sustained growth underscores our strength in market consolidation and strategic expansion.

Strong Financial Performance with Consistent Growth and Operating Leverage

We have demonstrated consistent growth and operational efficiency, driven by our strategic initiatives and a strong market presence. Our revenue from operations increased from ₹ 2,553.72 million in Fiscal 2023 to ₹ 5,251.00 million in Fiscal 2024 and to ₹ 5,982.59 million in Fiscal 2025, at a CAGR of 53.06%, while our restated profit/ (loss) before tax for the year turned positive in Fiscal 2025 and increased from ₹ (948.89) million in Fiscal 2023 to ₹ (752.60) million in Fiscal 2024 and to ₹ 106.82 million in Fiscal 2025 at a CAGR of 45.35%. Our Net Revenue increased from ₹ 2,070.96 million in Fiscal 2023 to ₹ 4,833.97 million in Fiscal 2024 and to ₹ 5,982.59 million in Fiscal 2025, at a CAGR of 69.97%. We have a significant improvement in our EBITDA performance, turning positive with an EBITDA of ₹785.73 million in Fiscal 2025 from ₹ (14.91) million and ₹ (583.39) million in Fiscal 2024 and 2023, respectively. This turnaround reflects our growth and operational focus as we have scaled through our organic businesses demonstrating efficiencies in our net revenue retention and new customer acquisition growth paths, with our strategic cost optimizations also beginning to yield results enabling margins to expand meaningfully. Our inorganic businesses have also witnessed a turnaround in EBITDA achieved through transitioning central functions which include finance, human resources, information security, information technology support, workplace services and other corporate functions to India, transitioning parts of research and technology development and maintenance functions to India, and migration of technology platform where most service- based deliverables are automated through software solutions as opposed to dedicated human workforce. Our business model is anchored by multi-year subscription agreements, ensuring a stable and predictable revenue stream. We focus on acquiring customers and retaining them and increasing their spending with us through expanding the number of users, and transactions that rely on our platform, up-selling and cross-selling additional solutions. This long-term commitment from our customers reflects their trust in our solutions and our ability to deliver sustained value. For instance, provide Tata Digital with a platform that integrates into multiple workflows of the Tata Neu ecosystem, thereby, allowing customers to earn rewards in the form of 'neu coins' across various brands and redeem the earned rewards across specified brands on the platform. We have leveraged expansion in the number of users, and transactions of our customers, which has significantly contributed to our revenue growth.

The table below sets forth certain financial and operational information for the years indicated:

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ million except for percentages)		
Revenue from operations (₹ million)	5,982.59	5,251.00	2,553.72
Net Revenue (1) (₹ million)	5,982.59	4,833.97	2,070.86
Net Revenue Growth(2) (%)	23.76%	133.43%	51.69%
EBITDA(3) (₹ million)	785.73	(14.91)	(583.39)
EBITDA Margin (4)	13.13%	(0.28)%	(22.84)%
EBITDA Margin (Net Revenue)(5) (%)	13.13%	(0.31)%	(28.17)%
Adjusted EBITDA(6)	745.01	(11.29)	(62.13)
Adjusted EBITDA Margin(7)	12.45%	(0.22)%	(2.43)%
Adjusted EBITDA Margin (Net Revenue)(8) (%)	12.45%	(0.23)%	(3.00)%

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ million except for percentages)		
Profit/(loss) before tax Margin[9] (%)	1.79%	(14.33)%	(37.16)%
Profit/(loss) before tax Margin (Net Revenue)[10] (%)	1.79%	(15.57)%	(45.82)%
ARR[11] (₹ million)	6,083.33	5,460.07	2,536.03
New ACV[12] (₹ million)	1,223.59	1,145.92	578.65
Customer Acquisition Cost ("**CAC**") as percentage of Net Revenue[13] (₹ million)	17.85%	18.05%	25.88%
Net Revenue Retention ("**NRR**") Rate[14] (%)	121.25%	112.68%	139.01%
Consumers on Platform[15] (billion)	1.26	1.13	0.97
Transactions Processed[16] (million)	7.50	6.31	5.03
Fortune 500 Clients[17]	16	16	9
Payback Period[18] (No. of Months)	16	14	16
Subscription Revenue or Retainership Revenue[19] (₹ million)	4,811.05	4,021.29	1,564.31
Subscription Revenue or Retainership Revenue[20] (% of Revenue from operations)	80.42%	76.58%	61.26%
Other Services Revenue[21] (₹ million)	1,171.54	812.68	506.55
Subscription Gross Margin[22] (%)	66.36%	65.99%	69.66%
Earnings per share from continuing operations (Basic) (₹ per share)	1.93	(12.15)	(17.63)
Earnings per share from continuing operations (Diluted) (₹ per share)	1.91	(12.15)	(17.63)
Return on net worth[23] (%)	2.85%	(21.52)%	(135.93)%
NAV per equity share[24] (in ₹ per share)	65.03	79.20	19.77

Notes:

1. *Net Revenue is computed as Revenue from operations less cost of campaign services.*

2. *Net Revenue Growth (%) is calculated as a percentage of Net Revenue of the relevant year minus Net Revenue of the preceding year, divided by Net Revenue of the preceding period/ year.*

3. *EBITDA refers to Earnings before interest expense, taxes, depreciation and amortisation and Exceptional Items as disclosed in our Restated Financial Statements.*

4. *EBITDA Margin (%) is computed as percentage of EBITDA divided by Revenue from operations for the respective Fiscal.*

5. *EBTIDA Margin (Net Revenue) (%) is computed as percentage of EBITDA divided by Net Revenue for the respective Fiscal. Net Revenue is computed as Revenue from operations less cost of campaign services.*

6. *Adjusted EBITDA is computed as EBITDA as per restated financial statements plus employee stock option expenses minus Interest income on bank deposits, Interest income on security deposits, Interest income on corporate deposits, Gain on fair valuation of investments carried at fair value through profit and loss, Profit on sale of investments, Profit on sale of property, plant and equipment (net), Interest income on income tax refund.*

7. *Adjusted EBITDA Margin (%) is computed as percentage of Adjusted EBITDA divided by Revenue from operations for the respective Fiscal.*

8. *Adjusted EBITDA Margin (Net Revenue) is defined as is computed as percentage of Adjusted EBITDA divided by Net Revenue for the respective Fiscal.*

9. *PBT Margin (%) is computed as percentage of Restated profit/ (loss) before tax divided by revenue from operations.*

10. *Profit/(loss) before tax Margin (Net Revenue) (%) is computed as percentage of Restated profit/ (loss) before tax divided by Net Revenue.*

11. *ARR refers to Aggregate of all Net Revenue from the most recent quarter multiplied by 4. Annual Recurring Revenues refers to the active recurring contract values over a 12 month period.*

12. *New ACV refers as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services.*

13. *CAC as a percentage of Net Revenue is computed as sales and marketing spends plus / (minus) the loss / (profit) earned on installation income divided by Net Revenue multiplied by 100 for the respective Fiscal.*

14. *NRR rate is computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by Net Revenue generated from the same customers in the previous Fiscal multiplied by 100.*

15. *Consumers on platform refers to number of consumers on our platform with a unique mobile number or personal identifiable information on the platform as at the end of the Fiscal.*

16. *Transactions processed refers to the number of invoices or transactions that have been processed by our platform for our customers in a Fiscal.*

17. *Number of Brands/Clients in the Forbes' Fortune 500 list as at the end of the Fiscal*

18. *Payback Period is computed as CAC divided by the result of New ACV multiplied by Subscription Gross Margin earned during the respective Fiscal. The overall result then is represented in number of months by multiplying the same by twelve.*

19. *Subscription Revenue or Retainership Revenue refers to Revenue from retainership and other services as disclosed in our Restated Financial Statements*

20. *Subscription Revenue (%) refers to Revenue from retainership and other services as disclosed in our Restated Financial Statements as a % of Revenue from operations.*

21. *Other Services Revenue refers to the sum of Installation revenue (as disclosed in our Restated Financial Statements and Revenue (net of campaign service cost). Revenue (net of campaign service cost) is computed as Revenue from campaign services minus cost of campaign services*

22. *Subscription Gross Margin (%) is computed as Subscription Revenue or Revenue from retainership and other services minus server hosting costs, software subscription costs and customer support costs divided by Subscription Revenue or Revenue from retainership and other services.*

23. *Return on Net Worth (%) is computed as Restated Profit /(loss) for the year attributable to owners of our Company for the Fiscal divided by the average of Net Worth of the relevant Fiscal and previous Fiscal.*

24. *NAV per equity share refers to net worth at the end of the Fiscal divided by the weighted average number of diluted equity shares.*

Experienced Leadership Team backed by Marquee Investor Base

We are led by a team of experienced professionals with extensive experience in the loyalty and CRM space. Our senior management team's expertise and industry relationships have helped us grow our operations. Our Founder, Managing Director and Chief Executive Officer, Aneesh Reddy Boddu has extensive entrepreneurial experience and has been recognized by Fortune India Magazine as one of the "40 under 40"- India's Brightest Young Business Minds. He was also the co-founder of the entrepreneurship cell at the Indian Institute of Technology, Kharagpur and has also been awarded the Distinguished Alumnus Award by the institute.

Our Whole-time Director, Chief Financial Officer and Chief Operating Officer, Anant Choubey, also an alumnus of Indian Institute of Technology, Kharagpur, has been with us since our inception. He was previously associated with Proctor and Gamble Home Products Private Limited in the capacity of manager of product supply. Melody Mitchem serves as our Global Head – Human Resources. She has previously been associated with Brierley Partners Inc., Vertex Business Services LLC, and Verio Inc. Melody holds a bachelor's of arts degree in communication (journalism) from the University of Texas, Arlington. Siddhant Jain is the Chief Customer Success Officer, Asia of Capillary Dubai with over 14 years of experience at our Company.

On the engineering front, we are led by Piyush Kumar, Chief Technology Officer, an alumni of the Indian Institute of Technology, Kharagpur. Piyush Kumar has led teams at Thought Works Technologies India Private Limited. James Vincent Sturm, Senior Vice President – Americas and Strategic Principle of CTL. He was the former CEO of B+P, with experience in the loyalty space in the United States. In addition, Rohan Anil Mahadar is the Chief Product Officer and has previously worked with Cognizant Technology Solutions India Private Limited, IBM India Private Limited, and ThreePoint Technologies Private Limited. Rohan Anil Mahadar holds a Bachelor's degree in Computer Engineering from Pune Institute of Computer Technology and an MBA in Finance from the Indian School of Business, Hyderabad. Sunil Jain is the Head of Corporate Development. He has previously been associated with Embassy Property Developments Private Limited, Accenture Solutions Private Limited, and KPMG Global Services Private Limited. Lalit Sharma is Senior Vice President of Customer Success for Europe, CTL. As of March 31, 2025, we had a team of over 237 employees part of our research, development and maintenance team.

Our senior management team also has experience in identifying, evaluating and completing acquisitions, thereby providing us with opportunities to grow inorganically, through strategic acquisitions that complement or expand our existing operations. With senior management from our prior acquisitions continuing to stay in our Company further strengthens our leadership team. The addition in Fiscal 2024 of our United States go-to-market team who have expertise in the United States loyalty management space will enable us to ramp up our operations and foray deeper into the United States loyalty market. We are supported by our diverse employee base spread across eight countries and as of March 31, 2025, we had a team of over 678 full-time employees which includes 237 employees of the research, development and maintenance team.

We have also benefited from investments by Peak XV Partners and AVP I Fund in our Promoter, AVP Fund II, Ronal Holdings LLC and Trudy Holdings in our Company and Filter Capital India Fund I in both our Company and our Promoter. Our investors provide financial backing and strategic guidance, reinforcing our position in the loyalty industry.

Strategies

The strategies described below have been approved by way of a board resolution passed by our Board of Directors at their meeting held on June 18, 2025.

Focus Our Go-to-Market Strategy on Larger Enterprises

The TAM size for loyalty management is estimated to be USD 17 billion and is expected to reach USD 27.3 billion by 2029, projecting a growth rate of 9.9% between 2024 to 2029. (*Source: Zinnov Report*) The TAM for loyalty management for industry segments such as retail, travel and hospitality and CPG is estimated at 41.4%. 33.7% and 9.7% of the global loyalty market, respectively, in Fiscal 2024. (*Source: Zinnov Report*) Our revenue from operations for Fiscal 2025 was ₹ 5,982.59 million, which was less than 0.45% of the TAM for loyalty management. We intend to capitalize on this opportunity by focusing our go-to-market strategy on new Enterprise Customers and on our existing Enterprise Customers such as Tata Digital, ABFRL, and one of UAE's diversified conglomerates. This focus on Enterprise Customers will help us continue growing profitably and improve key financial metrics such as New ACV added, Payback Period and Subscription Gross Margin.

Further, we believe in our experience, working with partners helps us get entry into large enterprises that are focused on digital transformation. A dedicated team is focused on building relationships with potential partners to gain access to their customer base. We are also strengthening relationships with industry analysts to increase pipeline visibility and improve New ACV contribution. Additionally, in Fiscal 2025, we have established one customer advisory board for India and Middle East and are building two more customer advisory boards to cater to South-east Asia and US/UK customers. These customer advisory boards comprise a group of selected customers who provide strategic insights and feedback to help shape our products and services. This board helps us ensure that our solutions align with customer needs and industry trends. Members of the advisory board share their experiences, challenges, and suggestions, enabling us to continuously improve and innovate our offerings.

Focus on Improving Revenue from Existing Clients

Our NRR remained consistent in the last three Fiscals and was 121.25%, 112.68% and 139.01%, respectively. We have significant headroom for growth within our existing customer base and plan to improve NRR by gradually removing discounts, increasing usage-based revenues, and transitioning more customers to a loyalty value delivery-based model or a transaction slab-linked pricing model, wherein a loyalty value delivery-based model charges based on the value provided through rewards and personalized experiences, while a transaction slab-linked pricing model sets prices based on the number of transactions, adjusting in tiers as activity increases. Both models ensure fair pricing aligned with benefits or business volume. These pricing models will help drive revenue expansion from our existing accounts.

We also intend to grow through a 'land-and-expand' strategy, cross-selling additional products and services to existing customers. Our farming as a percentage of New ACV was 75.26% in Fiscal 2025, compared to 25.56% in Fiscal 2024 and 66.85% in Fiscal 2023, wherein Farming refers to incremental ARR derived from existing customers by way of additional brands, geographic coverage and incremental product offerings. The introduction of additional products and new product features such as promotion engine, development of *Rewards+*, aiRA and AI-capabilities including promotions and creatives co-pilots, will enhance this approach. Additionally, our transaction-linked pricing model enables revenue growth as customers expand geographically or into new business lines. For instance, one of our customers, one of Europe's fashion retailers, operating an extensive network of stores and digital platforms, has expanded into new countries in Fiscal 2025 expanding its revenue contribution to us through Category III factors. With its expansion into four new countries in Europe in Fiscal 2025, revenue from operations from this customer increased by 62.92% to ₹ 52.96 million in Fiscal 2025.

Expand Presence in the United States and Pursue Further Acquisitions in North America and Other Regions

The North American loyalty management market is estimated to be USD 7.8 billion in 2024. Numerous small to mid-sized companies have cultivated dedicated customer bases within the loyalty sector, However, their limited resources often hinder their ability to invest in modernizing platforms. Many of these smaller firms operate on outdated systems and lack the capital necessary for essential technological upgrades, making them prime candidates for acquisition by larger entities seeking to enhance their service offerings. (*Source: Zinnov Report*) As part of our strategy, we will target companies that have a strong enterprise sales presence and a well-established US footprint and selectively expand into evolved markets such as Europe, following a similar strategy.

Pursuant to acquiring Persuade Group in September 2021, we have experienced significant growth in North America. Persuade Group's revenues increased from ₹ 505.52 million in Fiscal 2023 to ₹ 1,078.08 million in Fiscal 2024 and ₹ 2,121.95 million in Fiscal 2025, representing 19.80%, 20.53% and 35.47% of our revenue from operations in such years, respectively. Given Persuade Group's strong customer base, including Fortune 500 companies, and cash-positive operations, we intend to further invest in North America by expanding partnerships with system integrators and channel partners.

Focusing on our expansion in the United States we acquired B+P in April 2023 and Kognitiv in May 2025 operating primarily in the United States and North American markets. We also plan to increase brand awareness through industry events, marketing initiatives, and analyst engagement. A major milestone for our Company has been securing a contract with an American healthcare company that provides technology services, pharmacy care services and various direct healthcare services, which marks a significant step in strengthening our US market presence. This contract reinforces our credibility in the healthcare and enterprise loyalty space, allowing for further expansion and partnerships within the sector.

Our M&A function continues to follow a disciplined approach to evaluate acquisition opportunities aligned with our growth objectives. A key part of our strategy is CAC substitution by leveraging acquired companies' customer bases to reduce our cost of customer acquisition. Post-acquisition, we aim to enhance profit margins by improving operational efficiencies, integrating customer data, and streamlining processes. Our financial strategy involves a balanced use of debt and equity to optimize capital structure and maximize returns. We closely monitor financial metrics such as return on capital employed, internal rate of return, and payback period to ensure strong financial performance from our acquisitions. We will continue exploring inorganic growth opportunities in North America and selectively expand into evolved markets such as Europe, following a strategy similar to our US market approach. The Rewards+ Acquisition aligns with this vision, and we plan further roll-ups in adjacent markets.

Drive Expansion through Addition of New Industry-Specific Solutions

We are expanding our platform capabilities by developing industry-specific loyalty solutions that cater to the unique needs of sectors such as conglomerates, energy retail, BFSI and travel and hospitality. In 2025, we added healthcare as a new vertical and we generated revenues ₹ 2,780.90 million in Fiscal 2025 from our healthcare, BFSI, telecommunications and CPG verticals, representing 46.48% of our revenue from operations. Our entry into new verticals is through a combination of inorganic expansion and organic growth through new customer acquisitions. These enhancements allow us to diversify our revenue streams beyond the retail sector and strengthen our value proposition. Over the last three Fiscals, we have expanded our verticals to healthcare, energy retail, CPG and BFSI and telecommunications and we intend to enter into new verticals such as logistics, gaming and entertainment.

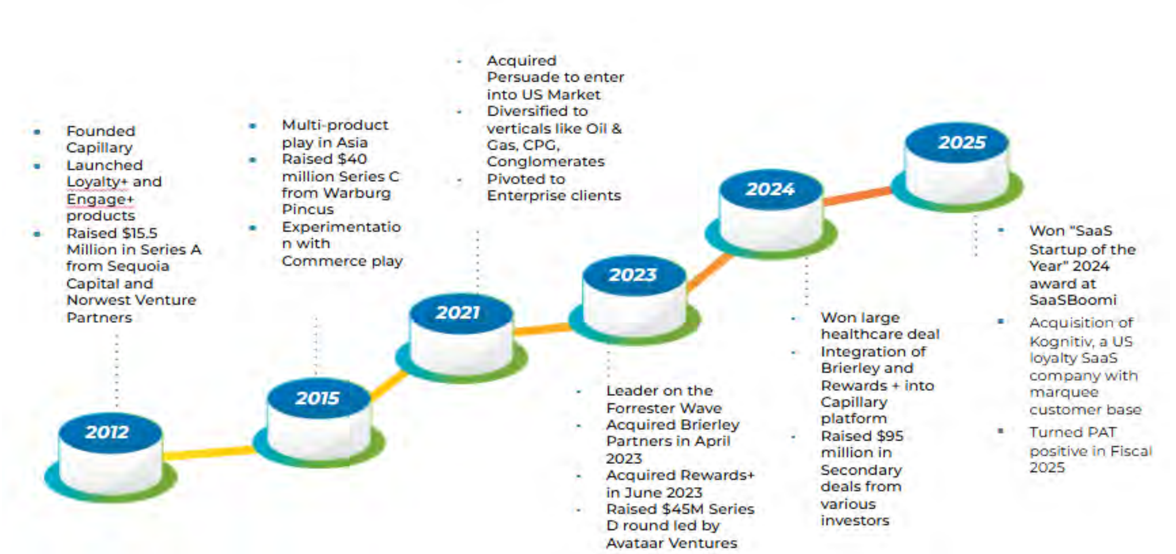
Continue Investing in Artificial Intelligence-Driven Enhancements and Advanced Customer Engagement Solutions

Our continued success is driven by our technology platform, AI-powered capabilities, and advanced analytics. We have built proprietary intellectual property, including having granted patents and several ongoing patent applications. To sustain our technology leadership, we are investing in research and development and AI-driven product development.

In Fiscals 2025, 2024, and 2023, we invested ₹ 1,286.08 million, ₹ 1,472.33 million, and ₹ 641.61 million, respectively, in research and design, product and platform development and maintenance, which accounted for 21.50%, 28.04%, and 25.12% of our revenue from operations in the respective Fiscals. Our technology team, comprising 237 full-time employees, as of March 31, 2025, has developed AI-driven personalization tools, a next-generation CDP, and a promotion engine that differentiate us from competitors. Our research development and maintenance team has grown from 190 employees in Fiscal 2023 to 237 employees in Fiscal 2025. Further, we differentiate ourselves by offering CDP as a complementary solution, enhancing our overall service offering. By leveraging AI and machine learning, we help brands gain actionable insights, improve targeting, and create more effective marketing strategies. We will continue expanding our product suite by integrating predictive analytics, ML models for customer insights, and automated engagement workflows. These enhancements will enable more precise customer segmentation, real-time offer personalization, and smarter loyalty program management across industries and geographies.

By executing these strategic initiatives, we aim to solidify our leadership in the global loyalty market, drive sustainable growth, and achieve long-term profitability.

OUR JOURNEY



OUR PRODUCTS AND SERVICES

Our product suite provides an omni-channel experience for consumers. All our products are powered by Artificial Intelligence Retail Analytics ("**aiRA**") which is our next-generation AI engine. aiRA solves complex analytical problems using advanced data science and ML algorithms and feeds the stream of actionable insights to all the products on the platform enabling personalized loyalty program initiatives and customer engagement.

Our comprehensive loyalty and engagement product suite includes:

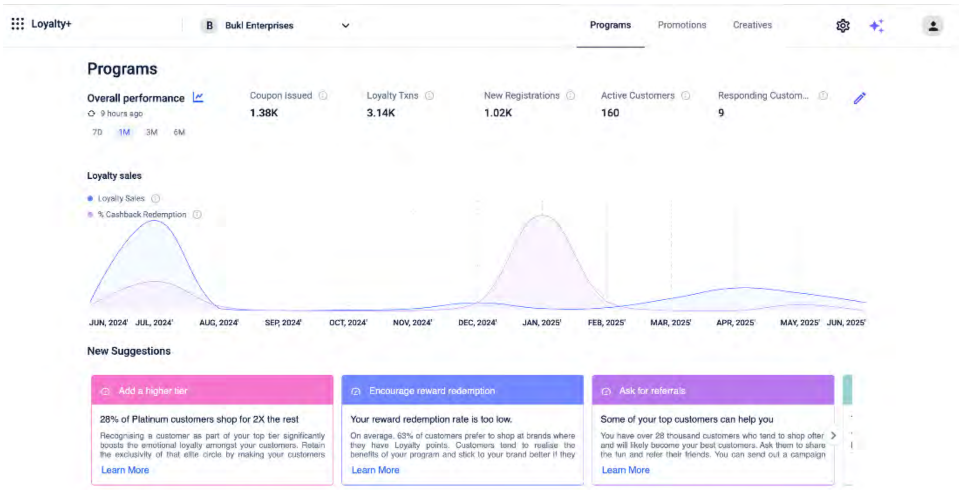
Loyalty Program Management Platform

<u>Loyalty+</u>

Loyalty+ is a configurable product module that enables our customers to drive customer advocacy through personalised loyalty programs. It focuses on mobile device management, API, event management and point subscription.

Key capabilities include:

- ***Loyalty Nudges.*** The AI-powered smart insights and suggestions powered by the aiRA platform enable *Loyalty+* to provide actionable nudges to the marketers and loyalty program managers to optimize the programs and improve the customer experience to deliver better value to the businesses as well as the customers.



- ***Incentives Manager.*** *Loyalty+* allows marketers to customize rule-based reward schemes and configure various incentives with the incentives manager such as points, coupons, stamps, coins, cashbacks, social rewards like badges and paid subscription program options to design loyalty programs that work for their brand and consumers. The incentives can also be expanded by adding any other sponsored rewards and allowing businesses to choose from a catalog of external rewards from our rewards marketplace.

- ***Program Manager***. The product comes with in-built support for different types of loyalty programs that can be configured by marketers to drive personalized loyalty consumer journeys across multiple channels. *Loyalty+* rewards customers for their transactional and non-transactional behavior (like checking into a store, playing a game and updating their profile). The product can connect to multiple other systems through APIs and has an in-built event management framework to identify, ingest and trigger actions on transactional, non-transactional and behavioral events.

- ***Advanced Loyalty Templates.*** The advanced loyalty templates enable programs like loyalty programs for B2B businesses- channel loyalty, multi-loyalty programs, coalition or partner loyalty programs, supplementary, and group loyalty programs like friends and family or employee loyalty programs.

- ***Gamification***. The incentives manager also powers gamification mechanics by enabling milestones-based conquests, competitive leaderboards and referral bonuses to drive customer progression and also allows creating standard and custom chance-based games for customer engagement and rewards.

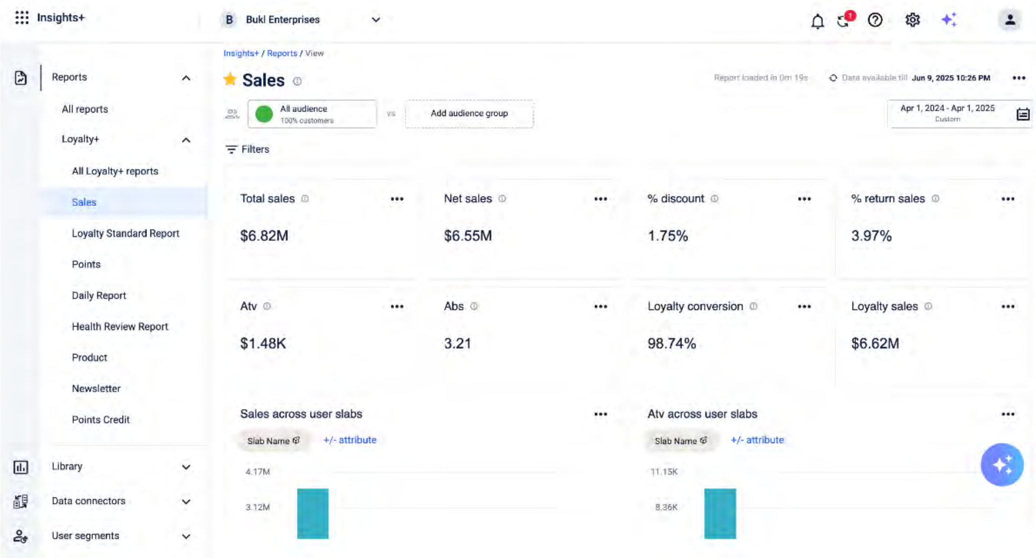
Retail Analytics Platform

<u>Insights+</u>

Insights+ helps our customers attain a deeper understanding of their consumers by using data analytics and methodologies to understand the true impact of loyalty on brands and profile consumers for more efficient marketing strategies.

Key capabilities include:

- ***1-Click Segmentation and Audience Filtering.*** Our in-built tracking tool offers various segmentation tools such as the segmentation of customer profiles using a combination of filters covering transactional and behavioral parameters for detailed analysis of customer cohorts. The comprehensive set of customer attribute-based filters powered by *Insights+* also help in executing optimized and personalized customer engagement.



- ***Propensity Modeling.*** The various propensity models created on *Insights+* using our aiRA engine also help analyze and refine customer targeting. Possible propensity models include the propensity to make a transaction/ buy a particular product, lapse, redeem points or coupon, transact at a particular store, transact at a particular channel, and transact/respond to a communication.

- ***AI for next best Action.*** Based on the trends/movements of consumer metrics, marketers can save user segments from the *Insights+* dashboard or launch a marketing campaign or a new promotion and take corrective action to improve the right metrics.

Omni-channel Marketing Automation Platform

<u>Engage+</u>

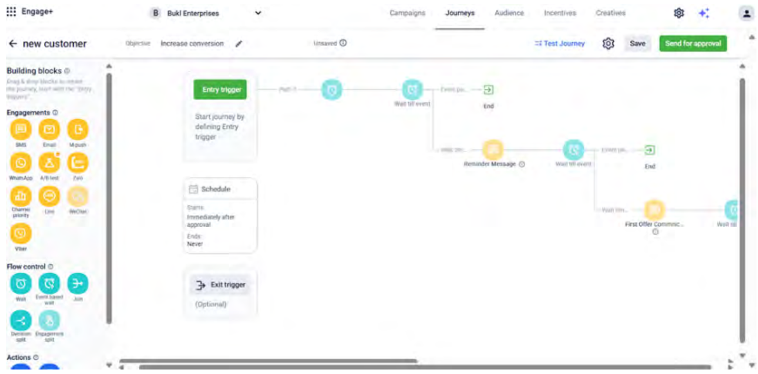
Engage+ is an AI-powered solution for customers to increase the effectiveness of their marketing efforts and customer engagement with end-to-end campaign management. With *Engage+*, customers are able to accurately target customers on channels where they are most active and improve conversion by personalizing products, content and offers based on demography, browsing pattern, purchase history and product preferences.

Key capabilities include:

- ***AI Personalization.*** Our AI-personalization module *X-Engage* powered by aiRA picks the best channel mix for each customer by analysing multiple factors like reachability, responsiveness score and conversion probability. Our cross channel marketing platform brings together social media ads and other digital campaigns to offer collective insights for customers in their plans to scale up campaigns for thousands of consumers with the right cross-channel messaging mix. aiRA also powers various advanced audience filters based on the propensity modelling that personalize the campaigns by picking the customers to target with the personalized messages and offers.

- ***Omni-channel Promotions.*** Omni-channel promotions enable personalized promotions at customer, cart, catalogue and or store/channel level. Targeted offers and real-time evaluations of customer activities & purchases enable brands to optimize discounts and delight the customers with seamless incentivization at the point of sale- online or at offline stores.

- ***Lifecycle Journeys.*** Lifecycle journey builder helps brand build relationships and drive customer loyalty through a planned always-on marketing approach of integrated communications across multiple digital channels. With various templated lifecycle journeys, marketers ensure customers are engaged in the most personalized manner possible depending on the lifecycle stages they are in.



Rewards Management and Engagement Platform

<u>Rewards+</u>

Rewards+ is a comprehensive loyalty and rewards solution designed to enhance customer engagement and drive profitability for businesses. It offers a wide range of curated, high-quality rewards and redemption options, including gift cards, cashback, travel vouchers, and exclusive offers from global brands. The platform leverages AI and ML to deliver personalized experiences, ensuring that each customer receives relevant and engaging rewards.

Key features of *Rewards+* include:

- *Extensive Global Rewards Network*. Access to a vast array of rewards and offers tailored to customer preferences.
- *Personalized Customer Communication*. AI-driven personalization to enhance customer interactions and increase engagement.

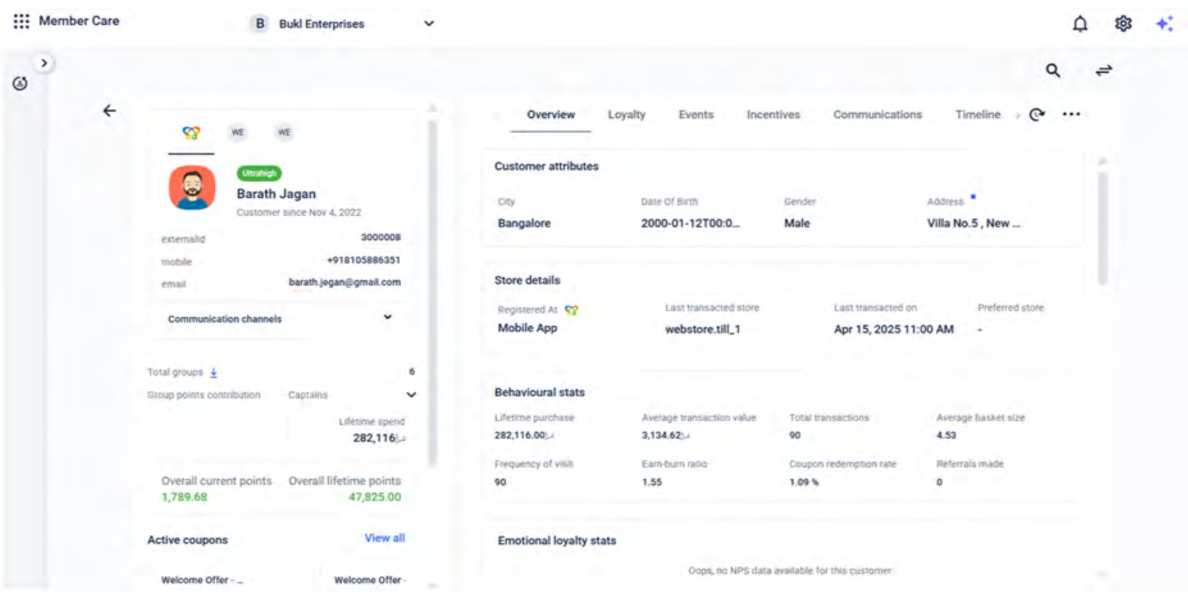
- *In-depth Analysis and Reporting*. Advanced analytics and automated reporting to provide actionable insights.
- *Customer Retention*. Tools to build and maintain strong relationships with customers, driving loyalty and repeat business.
- *Omni-channel Engagement*. Seamless integration across multiple channels to reach customers wherever they are.
- *Behavioral Targeting*. Use of customer data creates targeted campaigns and offers that resonate with individual preferences.
- *Modular and Customizable Platform*. Flexible design to fit seamlessly into existing tech stacks and support diverse business needs.
- *24/7 Support*. Hybrid contact center offering round-the-clock assistance to ensure a delightful customer experience.

In addition to being a reward marketplace, *Rewards+* is a tool for developing relationships with customers, driving long-term engagement, and fostering emotional loyalty.

Customer Data Platform

Our CDP creates persistent, unified and enriched customer data that is accessible to other products and systems. Our CDP also ensures adherence to regional and industry-specific customer data privacy and security regulations. Having a CDP helps enhance our proposition for our other offerings.

- ***Customer single-view.*** Consumer data collected across various first-party and third-party sources is cleansed and deduplicated for multiple consumer records, and enriched with consumer attributes based on behavioural and transactional activity to create every customer's rich profile. This single-view of every customer empowers the marketers to incentivize and engage with the customers in the most meaningful manner with *Loyalty+* and *Engage+* solutions.
- ***Enrich Customer Data with aiRA.*** The various customer attributes and propensities computed by aiRA-driven AI and data sciences models are updated for every customer's profile automatically and updated regularly to create an updated and enriched customer profile with actionable customer-level insights.



- ***Data Integration.*** Our CDP allows real-time, scheduled, bulk and API based data integration options for integrating with various internal and external data systems to provide a secure way of data ingress and egress for customer data.

Loyalty Consulting and Design Services

Post acquisition of B+P, we also offer loyalty consulting and design services aimed at enhancing customer engagement. Our approach combines strategic expertise with data-driven insights to create effective loyalty programs. The BLQ helps brands measure and balance emotional and behavioral loyalty, providing actionable insights to improve customer retention

OUR EFFECTIVENESS AND LOYALTY VALUE DELIVERY FRAMEWORK

We have been in the loyalty management space for more than 12 years and have helped over 390 brands launch their loyalty program across the globe. With our extensive experience, domain expertise in loyalty management, and advantage of hosting our suite of products on our cloud platform, we believe we have developed a deep understanding of the drivers of success for any loyalty program at scale.

We analyze large datasets and have adopted a data-driven methodology to measure value from incremental sales to assess the true impact of loyalty for brands. Leveraging data collected from a particular group of redeemers, our ML algorithms are able to identify a statistically similar group of non-redeemers and the effectiveness of the customized loyalty program on that group. Additionally, our platform allows customers to track their campaign performances with a live dashboard, and convert extensive datasets into analytical insights as to consumer behavior and preferences by data-profiling the consumer.

The aspects that drive performance in loyalty programs include:

Product/Offering Innovation. As loyalty programs evolve, brands that continuously innovate their value propositions and adopt modern engagement levers increasingly position themselves as trusted product authorities in the eyes of their customers. (*Source: Zinnov Report*) Features that have benefited brands and continuously helped them clock exceptional performance include:

- Real time incentivization - Ability to reward customers instantly for their purchase
- Tier structuring - Differential rewards and attractive benefits for more loyal customers
- Cross channel targeting - Target communications to relevant channels
- Personalized recommendations - Target communication relevant to customer buying behavior
- Social engagements - Effective use of social networks for customer engagement
- Cross-partner redemptions

Adoption. These are input parameters to the program for assessing the effectiveness of loyalty program. We typically suggest the following two metrics to assess the value proposition and excitement quotient for the customers:

- Enrollments - Number of people enrolling into the loyalty program
- Generosity - Dollar value equivalent cashback that the programs return back to the customer in the form of points on every purchase

Intrinsic Factors. These represent the brand's commitment towards the execution of program which ultimately affects the success of a loyalty program.

- People - Strength of team managing the program for the brand, skills, target effectiveness and ability to achieve them. The brand runs the engagement with a focus on profit and loss.
- Budget - Cost earmarked for the customer engagement initiatives

We believe that effective utilization of these levers can uplift the performance of any loyalty program to a product expert performance level.

We call this model the loyalty value delivery framework and are moving our pricing models to charge customers a small percentage of the incremental benefits they see from our platform.

CASE STUDIES

Industry Vertical – Conglomerate

<u>The connected ecosystem: Group loyalty by a prominent Indian conglomerate</u>

Objective

One of India's prominent conglomerates' offering, an all-encompassing application providing an integrated rewards experience across various consumer categories including groceries, fashion, electronics, travel and hospitality, health and fitness, and financial services on a single platform. Its loyalty program enables its consumers to earn and redeem rewards across multiple brands, encourage cross-category participation and provide personalised progression paths through dynamic tiered structures.

Solution

- Multi Loyalty Program ('**MLP**'): With our Loyalty+ platform integrated into workflows of the conglomerate's consumer platform, a MLP was developed which allows customers to earn coins across various brands and redeem the earned rewards across all brands available on the platform.
- Goal Based Program: The program allows the conglomerate to define milestones based on spends, transaction count, or any other activity and reward customers on completion of the milestones.
- Gamification: The platform leverages gamification on its platform to drive multi-category activation using different modes of gamification (such as badges, spin-the-wheel, scratch cards).
- Tiered Program Structure: The program assigns each customer a tier based on the customer's spending and order history over the past year.

Through our solutions and deep platform integration, we enabled the conglomerate to develop their personalised loyalty and rewards suite.

Industry Vertical – Consumer Goods

<u>Influencer loyalty program for a prominent Indian electrical goods company</u>

Objective

The influencer loyalty program aims to reward electricians, and electrical goods retailers for promoting and selling their products. This program drives brand loyalty and advocacy by offering incentives and tiered benefits for electricians, and electrical goods retailers in the purchasing journey.

Solution

- **Human centred redesign:** A streamlined mobile interface now enables:
  - Instant gratification through real-time point issuance and redemptions, driving day-to-day engagement.
  - Smooth onboarding with automated KYC and real-time validations.
  - Transparent points and reward journeys.

- **Community empowerment with initiatives and rewards opportunities:** The platform's foundation rests on three pillars:
    - Empowering electricians through instant rewards and KYC verification.
    - Introducing medical insurance and scholarships directly within a mobile app.
    - For electricians, and electrical goods retailers, it has personalised schemes running periodically, with personalised and exclusive gifts.
- **Security as a foundation for trust:** Security measures for fraud prevention are also a key part of the program like strict mobile number-based user verification during onboarding.

Industry Vertical – Healthcare

Abbott Laboratories (Singapore) Private Limited ("Abbott")

Abbott, established in 1888 is a multinational health care company with products in diagnostics, medical devices, nutrition and branded generic pharmaceuticals.

Abbott had a requirement to establish a loyalty program for its nutritional products to improve consumer engagement.

Solution

We enabled frontend member engagement utilising a customer web application which was supported by our core *Loyalty+* platform.

Industry Vertical – Retail

Aditya Birla Fashion and Retail Ltd. ("ABFRL")

Objective

ABFRL is one of India's leading fashion companies, housing some of the country's iconic brands across the lifestyle and retail segments. With a portfolio spanning menswear, womenswear and ethnic wear, ABFRL is at shaping India's fashion landscape. ABFRL was looking for a one-stop solution that would cater to all of the following:

- Full stack loyalty including front-end user interface, the back-end database and server-side logic (including (i) business logic execution - how points are earned, redeemed, expired - validation of user actions, etc.; (ii) APIs and data handling logics; (iii) security and authentication logics; (iv) performance and scaling logics) runs on the cloud server as opposed to the user's device / browser and is responsible for handling the core functionality of the platform and CRM management tailored to the needs and business models of multiple brands;
- Thought leadership and assistance for value creation;
- Single consolidated view of customer data; and
- Reliable and scalable tech stack offering performance and platform metrics - Mean Time to Repair and uptime.

Solution

We approached the challenges faced by ABFRL and solutioned the same in the following ways:

- Our platform enabled ABFRL with a group level consolidated single view of consumer data capturing demographic and logo tagging;
- We built over 12 individual Loyalty programs tailored to brands' requirements with custom earn and burn conditions along with end-to-end consumer segmentation, rewards and liability management;
- We enabled onboarding and implementation of new brands significantly increasing transaction volumes for ABFRL; and
- Streamlined omni channel experience at the brand level with separate controls and levers to drive online and offline behavior.

By providing a single consolidated view of consumer data, customizing loyalty programs with tailored earn-and-burn conditions, and enabling seamless onboarding of new brands, we helped ABFRL enhance consumer engagement and drive growth. The platform's ability to streamline omnichannel experiences and support both group-level and brand-specific loyalty programs ensures that ABFRL is equipped for continued success in the evolving retail landscape.

Industry Vertical – Banking, Financial Services and Insurance

Loyalty and Rewards platform for a prominent European Bank

We are serving a large UK headquartered bank with operations across Europe, serving customers across retail, commercial, and private banking markets.

Solution

- **Parallel System Operation and Data Synchronization.** To ensure continuity, data was synchronized, and a shadow testing environment was used to simulate consumer journeys before full migration. This allowed business units to validate user flows, and performance under production-like conditions.
- **Agile Integration and Modular Deployment.** APIs were leveraged to abstract legacy systems and modernize interfaces enabling smooth replacement.
- **Data Governance and Compliance Alignment.** A compliance workstream ensured alignment with data protection regulations.

Consumer Experience Evolution. The new platform enabled a suite of engagement features which was previously unfeasible with the legacy system. Additionally, gamification elements were introduced to drive sustained engagement.

These features enabled evolution of the consumer experience, turning routine banking interactions into rewarding journeys.

Industry Vertical – Travel, automobile and hospitality

Hertz Global Holdings Inc.

Overview

Hertz Global Holdings Inc. is one of the world's leading car rental and mobility solutions providers. Its subsidiaries and licensees operate the Hertz, Dollar, Thrifty and Firefly vehicle rental brands with more than 11,000 rental locations in 160 countries around the globe, as well as the Hertz Car Sales brand, which offers a range of quality, competitively priced used cars for sale online and at locations across the US, and the Hertz 24/7 car sharing business in Europe.

Hertz Gold Plus Rewards®, designed and implemented over 35 years ago with support from B+P, was the first loyalty program in the car rental space, allowing customers to skip the counter and walk right to their car, appealing to the speed and convenience desired by business travellers. Points and Tiers were natural evolutions to the core benefits and over the years the program has evolved to meet the needs and desires of both leisure and business travellers alike.

Acquisition of B+P by us resulted in opportunity for Hertz to migrate to our platform.

Hertz' objective: transition to a modern, loyalty platform that would continue to enable their world class loyalty program without disrupting existing operations, and provide a solid, efficient foundation for future enhancements toward creating the best loyalty program in the travel industry - without requiring significant customizations or a bespoke solution.

Key Challenges

The migration posed several significant challenges:

- **Deep Integration with Core Systems-** Deeply embedded within Hertz' global ecosystem, the loyalty platform is a critical part of the member rental experience, touching multiple internal systems including data sources, multiple counter systems, reservation systems, ecommerce and communications platforms. The member rental experience simply cannot function without the integration of the loyalty platform with Hertz' internal systems.
- **Point Liability Management-** The loyalty platform is system of record for all point earning and redemption activity and the management of point currency and point liability is a critical element of Hertz' corporate financial reporting. All point management, including point balances, FIFO redemption, point liability, and a suite of point reporting, a critical element of corporate financial reporting, had to transition to the new system with fidelity – meaning minimal changes to balances in customer accounts or represented on reports.
- **Adhering to the Global Regulatory Landscape-** Operating globally, Hertz had to maintain complex data privacy compliance and data localization requirements – all while ensuring secure data handling and minimal operational risk.
- **Customer Experience Evolution-** With over 11 million program members globally, any disruption to the platform could disrupt the customer rental experience – member rentals cannot occur efficiently without proper integration with the loyalty platform. The new system had to support the customer experience uninterrupted while also providing foundation for new loyalty program features and benefits that would continue to engage customers and drive revenue.
- **Technology Project Priorities-** Supporting a global company managing many technology platforms requires solutions that minimize impact on the internal technology team and partners.

Solution

Hertz partnered with us to lead the transformation which was designed to ensure data fidelity and minimize any disruption to the customer experience or corporate financial reporting.

- **Maintaining Core System Integration-** An integration layer was created to allow legacy APIs to remain intact through the migration to a more modern, cloud based solution while minimizing any changes by Hertz to core system integrations in place and reducing effort required by Hertz technology and third-party teams.
- **Point Liability Management-** To ensure continuity, data was synchronized to a test environment which was used to evaluate data fidelity and simulate customer experience before full migration. This allowed

business units to validate point balances, user flows, earning and redemption logic, and performance under production-like conditions.

- **Data Governance and Compliance-** Historical data stores were managed through databricks on the new platform to ensure maintenance of full audit trails for customer consents – for GDPR and rental compliance requirements – and to ensure continuity in reporting that supports Hertz' audit requirements and accounting practices.
- **Customer Experience Evolution-**The new platform enables a suite of next-generation engagement features as core product features such as gamification, multi-program and coalition capabilities, personalized offers and segmentation. These features can be leveraged to enhance the loyalty program and customer experience without requiring customization or heavy development previously needed for enhancements on the legacy platform, allowing Hertz to bring new program features and benefits to the market more quickly and efficiently.

DATA STORAGE AND COMPUTATION

Our platform is hosted on external cloud servers, ensuring reliability, security, and scalability with minimal additional investment. This infrastructure supports large volumes of transactional and customer data across various industries. Designed for scalability, security, integration, and extensibility, our cloud infrastructure powers AI-driven customer engagement and loyalty solutions, seamlessly integrating with customers' existing technology stacks. Key features of our cloud-based infrastructure include:

- **Scalable architecture**: Supports real-time data processing and delivers high-speed, stable performance at scale.
- **Enterprise-grade security**: Complies with global standards to ensure robust security.
- **Seamless API integrations**: Facilitates interoperability with existing enterprise systems, enabling effortless deployment and customization.

Our advanced offerings like segmentation, workflow management, event streaming, and data engineering are all supported by the cloud ecosystem featuring container orchestration, infrastructure as code, document-oriented databases, cloud storage, and comprehensive monitoring tools. This setup ensures optimal performance, reliability, and agility across our customer engagement solutions.

We avail services such as compute services and container solutions, storage and data services, and networking services from a prominent third-party cloud infrastructure provider.

Compute Services. It provides scalable computing capacity in the cloud and allows users to run virtual machines with customisable configurations or run code in response to events without provisioning servers.

Container Services. Helps in deploying, managing, and scaling containerised applications.

Storage and Data Services. Offers secure, scalable, and durable storage options and is widely used object storage service, ideal for backup, archival, and big data.

Networking Services. Enables secure, scalable, and high-performance connectivity and lets users create isolated networks within the cloud computing platform, defining IP ranges, subnets, and routing rules along with container solutions, and storage and data services.

On a periodical basis, we enter into private pricing agreements and arrangements with service providers for the provision of technology and cloud infrastructure services. For instance, we, through our wholly owned Material Subsidiary, Capillary Pte. Ltd. have executed two private pricing addendums, each dated September 22, 2023 one of which was amended through an amendment agreement dated October 30, 2024, ("**Technology Agreements**") with a prominent third-party cloud infrastructure provider. Pursuant to the Technology Agreements we have agreed to certain annual spend commitments. This commitment is the minimum amount required to be spent for each contract year, failing which we are required to pay the shortfall amount to the third-party cloud infrastructure provider.

For further information, see "*Objects of the Offer - Funding our cloud infrastructure and cloud computing cost*" on page 151.

DATA PROTECTION AND CYBERSECURITY

Data security is crucial to our business operations. We process collected customer information as a critical aspect of our offerings. We have internal rules and policies to govern how we may use and share personal information, as well as protocols, technologies and systems in place to ensure that such information will not be accessed or disclosed improperly. Our business-to-business ("**B2B**") customers are required to acknowledge the terms and conditions of their user agreements before they are allowed access to our products and services. The B2B customer terms and conditions obtain consent to the collection, use, and disclosure of their data in compliance with applicable laws and regulations, and we will only use the data of our users under the conditions agreed by our users.

We maintain an information security team headed by a data protection officer, that is responsible for implementing and maintaining our internal control protocols which cover the full lifecycle of data processing including data collection, data quality management, data encryption and transportation, data storage security, data backup and recovery, data processing and analytics, proper use of data, and data destruction and disposition. We adopt a data encryption system intended to ensure the secured storage and transmission of data, and prevent any unauthorized member of the public or third parties from accessing or using our data in any unauthorized manner. We use firewalls to protect access to our networks and to the servers and databases on which we store confidential data, restrict access to our network by virtual private network, and conduct periodic audits of data access and modifications of our network. In addition, we have developed and use internal procedures to protect the personal information of our users. We also work with third party security companies to help us with regular yearly audits of our infrastructure, websites and apps. We continuously monitor our risk and compliance and make an assessment of the cloud environment to maximize our security coverage and also provides us with continuous compliance monitoring of all our applications, regardless of where they are running.

Our data protection and privacy policies are focused on ensuring that: (i) our collection of personal data is conducted in accordance with applicable laws and regulations; (ii) personal data we collect are reasonable for the purposes for which they are collected; and (iii) our users are informed of the purposes for which their personal data are collected and used and their rights with respect to such data. In addition, to minimize the risk of data loss or leakage, we conduct regular data backup and data recovery tests. We are subject to various laws and regulations, including the Digital Personal Data Protection Act, 2023, EU General Data Protection Regulation and the Singapore Personal Data Protection Act, relating to data protection and privacy, and the processing of personal and behavioral data.

We provide assurance to our stakeholders for cybersecurity and data privacy independently through third party annual security audits for global standards. We are ISO 27001:2013 and PCI DSS certified for all customer servicing and internal processes and technologies and SOC 2 Type 2 Attested for the CRM and Loyalty services.

For further information, see "*Key Regulations and Policies*" and "*Risk Factors – We are subject to various Indian and international laws and regulations regarding privacy and data security, and we or our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure to comply with these laws and regulations could impose significant compliance burdens*." on pages 294 and 53, respectively.

CUSTOMER AND CUSTOMER ACQUISITIONS

We serve a number of customers that includes both enterprise and small and medium sized businesses across industries and geographies and as of March 31, 2025, we served Enterprise Customers including 16 Global Fortune 500 companies present across 46 countries. Certain of our key customers include Tata Digital, ABFRL, Dominos Pizza Indonesia, PT Blue Bird Tbk, Aditya Birla Fashion Limited, Arvind Fashions Limited, Metro Brands Limited, Puma Sports India Private Limited and Vishal Mega Mart.

Set forth below are certain details regarding revenues derived from our top customer, top five customers and top ten customers for the years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from top customer* (₹ million)	989.28	16.54%	358.11	6.82%	284.17	11.13%
Revenue from top five customers* (₹ million)	2,593.00	43.35%	1,604.65	30.56%	930.60	36.45%
Revenue from top ten customers* (₹ million)	3,511.79	58.71%	2,502.10	47.66%	1,392.17	54.53%

**References to 'Customer' are to customers in a particular Fiscal and does not refer to the same customers across all Fiscals.*

For customer acquisition we focus on our '*Land and Expand*' approach by retaining existing customers and expanding revenue from those same customers, by evolving our relationships by expanding our solutions across additional brands, business units, and geographies within the same organization.

We have a dedicated team focused on building our presence in large system integrators and consulting companies and helping these partners propose our solutions/ products in their conversations with their customers. We typically enter into Business Alliance Agreements with large systems integrators for customer referrals for a term ranging from one to three years. Pursuant to these agreements we partner with other businesses to refer us to customers who need advanced loyalty management solutions, thereby expanding our customer base. These services are provided to us on a commission basis.

CONTRACTUAL TERMS AND PRICING

Contractual Terms

Our contracts with our customers are mainly for providing SaaS based solutions to our customers. We enter into long term contracts with our customers. The length of our contracts varies from one to five years and is typically for a period of three years. We typically bill our customers on a quarterly basis in advance.

- ***System maintenance / downtime of services.*** Under these contracts, if the system maintenance or downtime of services including customer support hours, exceed a certain number of hours, such pro-rata number of days of downtime is required to be adjusted against the monthly retainer fees.
- ***Indemnity.*** Our Company is required to indemnify customers for any claims, losses, damages and expenses on account of its sub-contractors, vendors, suppliers and third parties in undertaking the performance under these agreements.
- ***Pricing.*** We typically follow the following approaches of pricing our services:
- ***Subscription.*** Our SaaS subscription pricing model is based on the number of loyalty transactions processed annually, the active loyalty members on the platform, and the number of stores using our platform. In addition, subscription revenues from our *Rewards+* platform depend on the type and volume of offers redeemed. Whereas, campaign service net margins are tied to the quantity and type of campaigns run on our network of campaign service providers. By dynamically linking our prices to metrics related to platform activity and service usage, we ensure that our revenue grows as customers expand their use of our solutions across multiple regions or divisions, supporting long-term account value growth.
- ***Campaigns.*** Campaign revenues are fees paid by customers to us for every message including text messages, email or ad-words that they send out from our platform.
- ***Setup.*** Setup revenues are one-time revenues we charge customers for the integration / configurations to our platform to take a customer live.
- ***Cancellation Policy/Termination***. Our contracts cannot be terminated simply because one party wants to (for convenience). Instead, termination is only allowed for a cause, such as a breach of contract or failure to fulfill obligations.

COMPETITION

The TAM size for loyalty management is estimated to be USD 17 billion in Fiscal 2024 and is expected to reach

USD 27.3 billion by Fiscal 2029, projecting a growth rate of 9.9%, with all the regions across the globe registering a growth rate of more than 5% from years 2024 to 2029. The Asia-Pacific, EMEA and the North American regions, are projecting a significant growth rate of 18.5%, 8.7% and 4.9%, respectively from years 2024 to 2029. The North American enterprise loyalty market, is valued at approximately USD 7.8 billion in 2024. Since loyalty is a subsegment of the broader customer engagement landscape, we consider CRM and customer engagement SaaS companies as proxies, these include mid-market independent software vendors such as Hubspot and technology giants such as Salesforce. (*Source: Zinnov Report*) Our Company does not have any competitors in India. For further information, see "*Industry Overview*" on page 209. We believe we are well-placed to capture this growth and maintain a competitive edge within the region.

INTELLECTUAL PROPERTY

We have created intellectual property in the form of patents and proprietary algorithms and frameworks. We regard our proprietary domain names, trademarks and patents as essential to our business operations. We rely on a combination of patents, trademarks, trade secret laws and restrictions on disclosure to protect our intellectual property. Our success and ability to compete depend in part upon our ability to protect our technology and to establish and adequately protect our intellectual property rights.

As on the date of this Draft Red Herring Prospectus, our Company owns ten valid and registered trademarks in India, which were initially assigned to our Material Subsidiary, CPL by our Promoter under the deed of assignment of intellectual property dated November 20, 2021 and February 26, 2023 and further assigned by CPL to our Company pursuant to the deed of assignment of intellectual property dated February 28, 2023, for which we have valid registration certificates from the Trade Marks Registry, Government of India under the Trade Marks Act, 1999, as amended ("**Trade Marks Act**"). Additionally, as on the date of this Draft Red Herring Prospectus, our Company has made applications for registration/renewal of 23 trademarks under various classes before the Trade Marks Registry under the Trade Marks Act, which are pending at various stages in India. Additionally, Capillary Brierley and Capillary Technologies Inc. have provided their consent to our Company to use any of its intellectual property rights under the respective consent letters each dated April 1, 2024. Furthermore, CTIPL and CPL have provided consent under consent letter dated April 1, 2024 to our Company to use two patents, one registered in the United States and one registered in Singapore. For further information, see, "*Government and Other Approvals – Intellectual Property of our Material Subsidiaries*" on page 483.

We have implemented a set of comprehensive measures to protect our intellectual property, in addition to making trademark and patent registration applications. Key measures include: (i) establishing a dedicated intellectual property legal consultant to guide, manage, supervise and monitor our daily work regarding intellectual property; (ii) applying for registration of our intellectual property before commercialization; (iii) timely registration, filing and application for ownership of our intellectual property; (iv) actively tracking the registration and authorization status of intellectual property and taking action in a timely manner if any potential conflicts with our intellectual property are identified; (v) clearly stating all rights and obligations regarding the ownership and protection of intellectual property in all employment contracts and commercial contracts we enter into; and (vi) quarterly review of measures by senior management personnel of our Company.

For further information, see "*Risk Factors – Failure to protect our intellectual property rights could adversely affect our business and our brand.*" on page 69.

TECHNOLOGY

We put technology at the forefront for solving problems for our customers. Our products, and platforms have been built with advanced tools and technologies. Technology has been a key driver for supporting customers, and delivering loyalty, and AI powered solutions at scale with optimum costs, and high availability. We are committed to investing in our technology and product roadmaps to push the envelope on innovation and give all global businesses the best possible customer engagement solutions. We continuously customize and enhance our product offerings, striving to build industry-specific SaaS solutions. This involves introducing new products for customers, developing existing technology in-house, and investing in revenue-generating technologies. We are dependent on our in-house development team of 237 employees, as of March 31, 2025 and third-party service providers for assisting and execution of product development.

Scale of the Infrastructure

Our products are designed for cloud native environments that allow us to scale our products as per the customer needs while optimizing the costs. This allows us to process large number of transactions and customer data points seamlessly in real time. All data is pushed into our data platform which allows powerful slicing, and dicing capabilities on this large data set. This data platform computes rich segments, facts, and key performance indicators that are used for reporting, and analytics. These computed data points are also fed into our AI and ML algorithms that are trained over neural networks. Our infrastructure is managed via infrastructure as code paradigm. These automation workflows allow us to manage several global deployments.

Along with scalability, we operate a secure infrastructure. We frequently upgrade our infrastructure with regular security audits, and certifications. Our products comply with international standards such as ISO 27001, EU General Data Protection Regulation and PCI-DSS.

Open Platform - Extensibility and Ease of Integration

We have always believed that a good product is open for integration and extension. This belief has led to an API first architecture that allows us to integrate easily with external systems, and touch points of data collection with minimum effort. Furthermore, we allow our customers to take their data back to their systems as needed via powerful data exports and event streaming pipelines built on top of an open-source distributed event streaming platform.

Innovations

We have invested in innovating new technologies using AI and ML to study consumer behaviour in both offline stores, and online assets. Set forth below are certain details regarding our technology development expenses:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Investment in Research and Design, Product and Platform Development and Maintenance*	1,286.08	1,472.33	641.61
Investment in Research and Design, Product and Platform Development and Maintenance as a Percentage of Revenue from Operations (%)	**21.50%**	**28.04%**	**25.12%**

** Represents overall investment made by us in research and design, product and platform development and maintenance including investment in maintenance of platform, non manpower costs such as software subscription and other tool charges as well as manpower costs for research and design and product and platform development. The expenditure in relation to manpower cost for research and design and product and platform development through employees and professionals engaged by us through third party agencies is ₹ 507.86 million, ₹346.98 million and ₹ 270.65 million in Fiscals 2025, 2024 and 2023 respectively.*

These allow us to predict consumer behaviour with high degree of accuracy for various business verticals, and design powerful, and capable loyalty programs. Our loyalty product has been developed over the years to cater the potential use-cases for the verticals we operate in. These innovations have resulted in a number of patents that we have filed and obtained over the years.

SALES AND MARKETING

Sales

We have decentralized sales teams that focus on the regions where they operate. Our sales team members are based in the United States, United Kingdom, United Arab Emirates, Malaysia and India.

We use automated reports from our sales CRM for monitoring and tracking the sales metrics and monitor progress and real-time customer and opportunity visibility. We have a dedicated sales operations team which enables this for us.

Pre-Sales: Our pre-sales team understand our customers' requirements and maps them to our solutions and helps our customers decide which of our products would best solve their problems, additionally our pre-sales team also help us in deciding the pricing that we should propose to our customers.

Field Sales: We have geography specific field sales teams. Our field sales teams build relationships with our customers and own the sales process end-to-end and act as the bridge between the customers and our internal teams during the sales process.

Marketing

We have a centralized marketing team that focused on global marketing. Our team members are based in the United States, United Aram Emirates, Malaysia and India. We deploy several marketing strategies like producing content, email marketing, social media, account based marketing and such to generate leads and create brand awareness.

Demand Generation: Our demand generation team understands the market and is updated with latest SaaS solutions marketing and accordingly creates demand for our solutions through inbound and outbound marketing.

CUSTOMER SUCCESS

We have developed a dedicated customer success team that is primarily responsible for ensuring that the relevant customers derive measurable value as a result of using our products and solutions. Our existing customer accounts are segregated based on existing contract value and potential for additional sales and engagements. We follow a streamlined engagement model that includes quarterly business review and monthly interaction with customers. These customer engagement measures enable us to align our products and solutions offerings to customers' business objectives and thereby further expand the existing customer accounts with additional opportunities that can be serviced through our broader products and solutions portfolio.

Our sales efforts are focused on both generating new customers as well as cross-selling and upselling our broader suite of products and solutions. Key account management is also facilitated by a local representative. Our sales teams are distributed across various geographies we focus on, and we actively leverage existing customer relationships to gain referrals. We continue to focus on deepening our relationship with customers through providing our broad suite of products and solutions. Therefore we educate and train our sales teams on the features and value drivers for our full suite of products and solutions. We have also introduced incentive plans for different levels of sales professionals that vary across geographies.

We offer customer support through our in-house customer support team, whereby customers may seek assistance through system tickets and emails. All customer support requests are categorized based on the level of impact, with specific measures relating to resolution timelines. We use a common sales, service and marketing cloud which provides a single view of the customer, which can be leveraged to understand their current engagement while generating new opportunities from existing customer base. We measure customer satisfaction on ticket closures and turn-around times, re-opening of issues and ticket volume to improve our support function.

HUMAN RESOURCES

As of March 31, 2025, we had 678 full-time employees. The following table sets forth a breakdown of our employees by function as of March 31, 2025, 2024 and 2023:

Function	Number of Employees		
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Customer Success and Professional Services	330	295	239
Technology and Product	237	216	190
Sales and Marketing	60	70	65
Support and Corporate	51	46	45
Total	**678**	**627**	**539**

We also engage with a number of consultants on a contractual basis and as of March 31, 2025, we had 163 such consultants. The following table sets forth a breakdown of our consultants by function as of March 31, 2025, 2024 and 2023:

Function	Number of Employees		
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Customer Success and Professional Services	139	131	94
Technology and Product	6	6	8
Sales and Marketing	1	2	2
Support and Corporate	17	11	9
Total	**163**	**150**	**113**

We focus on attracting, developing and retaining personnel with varied expertise including business, technical and sales and marketing backgrounds, across various experience levels. Our hiring practice includes technical interviews, aptitude assessments, and managerial interview rounds. We conduct thorough background verifications of candidates through third party vendors to verify details regarding previous employment, education, and identity checks. We provide learning and development programs for our employees to prepare them for their roles and facilitate internal career mobility aiming at creating a high-performing workforce.

As part of the employee benefits initiative, we provide term insurance and life insurance to all our employees. We also provide medical insurance to our employees including their families. We also offer a 24x7 health helpline for our employees and employee assistance programmes which provide the requisite technical, psychological and operational support for our employees. Our maternity and paternity programs include 26 calendar weeks of leave on full pay for mothers and 2 calendar weeks of leave on full pay for fathers to care for their child. We provide director's and officers' liability insurance to our employees. To incentivize our employees, we also provide employee stock options to select eligible employees under our employee stock option plan. For further information, see "*Capital Structure – Employee Stock Option Scheme*" on page 145.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

We seek to integrate our business values with our operations so we may undertake our business activities in an ethical and transparent manner. Further, we seek to improve our fulfilment of social responsibilities and enhance our economic practices in an attempt to create a positive impact on the society. We are committed towards our obligations to society and have a defined corporate social responsibility policy that is aimed at improving the lives of the communities in which we operate in a sustainable way. Our Company has constituted a Corporate Social Responsibility Committee on December 10, 2021 and the same was re-constituted on September 26, 2022 and May 23, 2025.

Our Company have net worth exceeding ₹ 5,000.00 million and net profits exceeding ₹ 50.00 million as at the end of Fiscal 2025. However, our average net profits during the Fiscals 2025, 2024, and 2023 do not exceed ₹50.00 million. Accordingly, in terms of Section 135 of the Companies Act, 2013, our Company was not required to spend any amount on corporate social responsibility (CSR) activities during Fiscals 2025, 2024, and 2023.

INSURANCE

We have obtained insurance policies in connection with our operations including an errors and omission and cyber security insurance policy for our information technology, general insurance covering fire (material damage), burglary and housebreaking, and electronic equipment (including portable electronic equipment), directors and officers insurance, group medical insurance, group personal accident, and group term life insurance.

The following table sets forth details on our amount of insured assets, insurance coverage made and amount if insured assets for the years indicated:

Particulars	**As of**		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Amount of insured assets* (₹ in million)	34.27	31.21	22.56
Amount of insurance obtained for insured assets (₹ in million)	76.87	19.56	26.74
Insured assets as percentage of total assets (%)	0.41%	0.36%	0.48%
Insurance coverage as a percentage to insured assets (%)	224.30%	62.66%	118.52%
Total insurance claims made on insured assets (₹ in million)	Nil	Nil	Nil
Amount received as settlement (₹ in million)	Nil	Nil	Nil
Total insurance claims made on insured assets as a percentage of total insurance obtained (in %)	Nil	Nil	Nil
Total insurance premium costs(1) (₹ in million)	16.26	8.37	5.40
Total insurance premium costs as a percentage of revenue from operations (%)	0.27%	0.16%	0.21%

** Insured assets include : Electronic software development unit, portable equipment-software and portable equipment*

(2) Total insurance premium cost includes all the insurance taken by our Company as per note no. 28 of Restated Consolidated Financial Information.

Note: The table is exclusive of insurance taken except for on assets of our Company and its Subsidiaries.

However, our insurance policies may not be able to cover all of our losses and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*" on page 62.

PROPERTIES

Our Registered and Corporate Office is located at #360, bearing PID No.:101/360, 15th Cross, 19th Main, 4th Sector, HSR Layout, Bengaluru- 560 102, Karnataka on a leasehold basis. In addition, as of March 31, 2025, globally we have 13 offices, with one office each in Dubai, Indonesia, Malaysia, Vietnam and Singapore and two offices in the United Kingdom and three offices each in India and the USA, all of which have been taken on lease from third parties and the term of lease for these premises typically varies from six months to three years. Set forth below are details of our properties:

S. No.	Entity	Country in which office is located	Owned/Leased	If Leased, Lease Validity date	Fiscal 2025		Fiscal 2024		Fiscal 2023	
					No. of offices	Lease cost (₹ million)*	No. of offices	Lease cost (₹ million)*	No. of offices	Lease cost (₹ million)*
1.	CTIL	India	Leased	Office I at Bengaluru, India valid until December 31, 2025. Office II at Pune, India valid until August 31, 2025. Office III at Mysuru, India valid until February 16, 2028	3	32.85	2	21.15	1	19.98
2.	Capillary Dubai	United Arab Emirates	Leased	Valid until May 1, 2028	1	1.92	1	1.97	1	1.82
3.	Capillary Malaysia	Malaysia	Leased	Valid until January 31, 2026	1	2.06	1	1.78	1	1.68
4.	Capillary Europe	United Kingdom	Leased	Office I at London, valid until June 16, 2026 Office II at Hampshire, valid until November 30, 2025	2	7.36	2	0.62	NA	NA
5.	Capillary Indonesia	Indonesia	Leased	Valid until October 31, 2025	1	0.72	1	0.66	1	0.56
6.	CPL	Singapore	Leased	Office I^ at Singapore, valid until November 14 2025 Office II at Vietnam, valid until 31	2	-	1	-	1	-

S. No.	Entity	Country in which office is located	Owned/Leased	If Leased, Lease Validity date	Fiscal 2025		Fiscal 2024		Fiscal 2023	
					No. of offices	Lease cost (₹ million)*	No. of offices	Lease cost (₹ million)*	No. of offices	Lease cost (₹ million)*
				October 2025						
7.	Capillary Brierley	USA	Leased	12-month term ended on December 31, 2024, thereafter the lease is ongoing on month-on-month basis.	1	14.71	1	13.46	NA	NA
8.	Capillary USA	USA	Leased	NA#	1	-	1	-	1	-
9.	CTL	USA	Leased	Valid until January 31, 2028	1	10.90	1	7.09	1	5.72
Total (s)					**13**	**70.52**	**11**	**46.73**	**6**	**29.76**

* *Includes interest cost on lease liabilities and depreciation of right-of-use assets accounted for in accordance with Ind AS 116 – Leases.*
** *As of March 31, 2025, we have only three offices in India.*
^ *Our Company has an Office Agreement with Osome Pte Ltd. dated July 21, 2012 through which we use this address as a registered office apart from receiving corporate secretarial services from Osome Pte. Ltd.*
# *Operates its registered office in Palo Alto, California, USA without a formal lease agreement in place.*
For further information see, "Risk Factors - Our offices, including our Registered and Corporate Office, are located on premises that is held by us on a leave and license basis. If these leases and license agreements are terminated or not renewed and we are not able to identify alternative premises on terms acceptable to us, it could adversely affect our business, financial condition, results of operations, and cash flows." on page 63.

KEY REGULATIONS AND POLICIES

The description is a summary of the key statutes, rules, regulations, notifications, memorandums, circulars and policies which are currently applicable to our Company and our Material Subsidiaries and the business undertaken by our Company and our Material Subsidiaries.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, professional tax legislations, wherever applicable and the relevant goods and service tax legislation apply to us as they do to any Indian company. For details of government approvals obtained by our Company and our Material Subsidiaries, see "Government and Other Approvals" on page 477.

The information in this section, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications and has been obtained from publications available in the public domain. The description of the applicable laws and regulations, as given below, is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice.

LAWS APPLICABLE TO OUR COMPANY

Industry-specific legislations applicable to our Company

The Digital Personal Data Protection Act, 2023 ("DPDP Act")

The DPDP Act received the assent of the President on August 11, 2023. The DPDP Act, has replaced the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data and the need to process personal data for lawful purposes and matters incidental thereto. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the data principal to whom the personal data relates, or for certain legitimate uses. A notice must be given before seeking consent. The consent obtained shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action, and shall signify an agreement to the processing of her personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose. It further imposes certain obligations on data fiduciaries including (i) ensuring the accuracy, consistency and completeness of personal data processed, (ii) building reasonable security safeguards to prevent a data breach, (iii) informing the Data Protection Board of India (the "**DPB**") and affected persons in the event of a breach, and (iv) unless retention is necessary for compliance with any law, personal data is to be erased upon the data principal withdrawing consent or as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The Central Government will establish the DPB. Key functions of the DPB include: (i) on receipt of an intimation of personal data breach, to direct any urgent remedial or mitigation measures in the event of a personal data breach, and to inquire into such personal data breach and impose penalty; (ii) on a complaint received in respect of a personal data breach or a breach in observance by a data fiduciary of its obligations in relation to her personal data or the exercise of her rights, or on a reference made to it by the central government or a state government, or in compliance of the directions of any court, to inquire into such breach and impose penalty, and (iii) the DPB may, on a representation made to it by a person affected by a direction, or on a reference made by the Central Government, modify, suspend, withdraw or cancel such direction and, while doing so, impose such conditions as it may deem fit. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

Draft Digital Personal Data Protection Rules, 2025

The Indian Ministry of Electronics and Information Technology has released the Draft Digital Personal Data Protection Rules, 2025 ("**Draft DPDP Rules**") for public consultation. The Draft DPDP Rules regulate the processing of personal data in India, ensuring that the privacy rights of individuals are protected. The Draft DPDP Rules applies to all entities that process digital personal data, both within India and abroad. It focuses on the principles of data protection, such as transparency, accountability, and the necessity of obtaining explicit consent from data subjects. It also provides individuals with rights to access, correct, and request deletion of their data. The Draft DPDP Rules provide that any entity processing personal data within India or outside India (in relation to offering goods/services to data principals in India) may only transfer personal data to any country/ territory outside India subject to restrictions imposed by the Government of Indian on making such personal data available to a foreign state or entities or agencies under its control. Additionally, the Draft DPDP Rules require significant data fiduciaries to undertake measures to ensure that they do not transfer any personal data (and traffic data related to its flow) outside India as may be identified by the Government of India upon recommendations of a committee it constitutes. It mandates the conduct of data protection impact assessments for high-risk processing activities and requires the notification of data breaches within a stipulated timeframe. The Draft DPDP Rules will be gradually enforced, with timelines for implementation set by the GoI.

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

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and ensures that a body corporate failing to protect sensitive personal data is liable to pay damages by way of compensation. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those related to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, ("**DoIT**") Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The IT Security Rules define sensitive personal data or information to include passwords, financial information such as bank account, credit card and payment instrument details, medical records and any detail relating to the aforementioned categories as provided to a body corporate for providing services and/or stored or processed by the body corporate under lawful contract or otherwise, however, any information that is freely available or accessible in public domain or furnished under law is not regarded as sensitive personal data or information under these rules. In the alternative, the IT Security Rules are deemed to be complied with if the requirements of the international standard "IS/ISO/IEC 27001"on "Information Technology–Security Techniques–Information Security Management System–Requirements" are complied with including any codes of best practices for data protection of sensitive personal data or information approved by the Government of India and formulated by any industry association of whose membership such body corporates holds.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediary Rules**") requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it. The IT Intermediary Rules further require the intermediaries to provide a grievance redressal mechanism and appoint a nodal officer and a resident grievance officer.

CERT-In Directions

The Indian Computer Emergency Response Team ("**CERT-In**") has issued directions dated April 28, 2022 under Section 70(B)(d) of the IT Act relating to information security practices, procedure, prevention, response and reporting of cyber incidents ("**CERT-In Directions**") which stipulate a number of cyber-security related requirements upon service providers, intermediaries, data centres, body corporate, and Government organizations. Key measures include: (i) synchronizing ICT systems clocks with the Network Time Protocol, Server of National Informatics Centre, or National Physical Laboratory; (ii) mandatory reporting of specific types of cyber incidents to CERT-In within 6 hours of noticing such incidents; (iii) designating a point of contact to interface with CERT-In; (iv) enabling and securely maintaining logs of all ICT systems for a rolling period of 180 days within Indian jurisdiction; (v) registering and maintaining accurate information of subscribers/customers by data centres, VPS providers, cloud service providers, and VPN Service providers for a period of 5 years or longer; (vi) Maintaining KYC and financial transaction records by virtual asset service providers, virtual asset exchange providers, and custodian wallet providers for a period of five years.

Software Technology Parks Scheme ("STP Scheme")

To implement the STP Scheme, a 100% export-oriented scheme for the development and export of computer software, Software Technology Parks of India ("**STPI**") was established and registered as an autonomous society under the Societies Registration Act, 1860, under the Ministry of Electronics and Information Technology, Government of India on June 5, 1991. The STP Scheme covers export of professional services using communication links or physical media and any entity desiring to export its entire production of goods and services (except permissible sales in the domestic tariff area) is eligible to register with the relevant STPI.

Government Initiatives

There have been certain initiatives undertaken by government agencies in India regarding the regulation of AI such as the National Strategy for Artificial Intelligence, introduced by NITI Aayog in June 2018, which emphasizes the need to align India's regulatory standards with global norms to ensure that its AI technologies are globally competitive and compliant with international human rights standards by proposing a two-tiered structure to address India's AI research aspirations. These include (a) the Centre of Research Excellence focused on developing better understanding of existing core research and pushing technology frontiers through creation of new knowledge, and (b) International Centres of Transformational Artificial Intelligence ("**ICTAI**") with a mandate of developing and deploying application-based research. Private sector collaboration is envisioned to be a key aspect of ICTAIs.

General laws pertaining to compliance to be followed by our Company

The Companies Act 1956 and the Companies Act, 2013 ("Acts")

The Companies Act 1956 is still applicable to the extent it is not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The Acts along with the relevant rules, clarifications and modifications made thereunder deals with the incorporation of companies, the procedure for incorporation and governance and regulation of companies post incorporation. The provisions of the Acts shall apply to all the companies incorporated either under it or under any other previous law.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Contract Labour (Regulation and Abolition) Act, 1970, the Shops and Establishments Act, 1953, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Maternity Benefit Act, 1961, the Child Labour (Prohibition and Regulation) Act, 1986 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

(a) **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of

Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, *inter alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

(b) **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) **Code on Social Security, 2020**, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

(d) **The Occupational Safety, Health and Working Conditions Code, 2020**, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on September 28, 2020.

The provisions of these codes shall become effective on the day that the Government shall notify for this purpose. Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment.

Other labour law legislations

In addition to the aforementioned material legislations which are applicable to our Company, some of the other labour legislations that maybe applicable to the operations of our Company include:

1. State-wise Labour Welfare Fund Acts and rules made thereunder;
2. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder;
3. The Industrial Employment (Standing Orders) Act, 1946 and the rules made thereunder;
4. Industrial Disputes Act, 1947 and the rules made thereunder;
5. Rights of Persons with Disabilities Act, 2016 and the rules made thereunder;
6. Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and the rules made thereunder; and
7. Contract Labour (Regulation and Abolition) Act, 1970 and the rules and the state legislations made thereunder.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Tax laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

1. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
2. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state -wise legislations made thereunder;
3. The Integrated Goods and Service Tax Act, 2017 and Integrated Goods and Services Tax Rules, 2017;
4. Professional Tax state-wise legislations; and
5. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

Intellectual Property Laws

The Trademarks Act, 1999 ("Trademarks Act") and Trade Mark Rules, 2017 ("Trade Mark Rules")

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. The Trade Marks Rules, lay down certain guidelines regarding procedure. Some of the salient features of the Trade Marks Rules include the process for determination of 'well-known' trademarks, representation of sound marks, recognition of e-mail as a mode of service, new registration fees and mandatory filing of statements of users. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

The Patents Act, 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. Being a signatory to the World Trade Organisation's Agreement on Trade Related-Aspects of Intellectual Property Rights, effective January 1 1995, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. Further, the Patents Act also provides for the recognition of product patents in respect of food, medicine and drugs; that import of patented products will not be considered as an infringement; and that under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

The Copyright Act, 1957 and the Copyright Rules, 2013 (the "Copyright Laws")

The Copyright Laws governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Foreign Investment Laws

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder ("FTA")

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy ("**EXIM Policy**"). The FTA read with the Foreign Trade Policy, 2023 prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("**IEC**") granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. The IEC shall be valid until it is cancelled by the issuing authority.

The Foreign Exchange Management Act, 1999 ("FEMA") and regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the consolidated FDI Policy ("**FDI Policy**") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Under the current Foreign Exchange Management (Non-Debt Instruments) Rules 2019 ("**NDI Rules**") and FDI Policy (effective October 15, 2020), 100% foreign direct investment in companies engaged in the information and technology sector, under the automatic route, i.e., without requiring prior government approval, subject to compliance with certain prescribed conditions.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The RBI, with an aim to operationalize a new overseas investment regime, has introduced the new Foreign Exchange Management (Overseas Investment) Rules, 2022 ("**OI Rules**") and the Foreign Exchange Management (Overseas Investment) Regulations, 2022 ("**OI Regulations**"), vide Notification No. G.S.R. 646(E) and Notification No. FEMA 400/2022-RB each dated August 22, 2022. Further, the Foreign Exchange Management (Overseas Investment) Directions, 2022 were introduced to be read with the OI Rules and the OI Regulations. The new regime simplifies the framework to cover wider economic activity and thereby, significantly reducing the need for specific approvals. Investment may be made by an Indian entity only in a foreign entity engaged in activities permissible under the law in force in India and the host jurisdiction. Any manner of Overseas Direct Investment by an Indian entity shall be made as prescribed in the OI Rules.

Competition Act, 2002 ("Competition Act")

The Competition Act, 2002 aims to foster and maintain market competition, protect consumer interests and prevent anticompetitive practices that cause or are likely to cause adverse effect on competition in the relevant markets of India. It also ensures freedom of trade carried on by other participants in markets in India. In order to achieve these objectives, it regulates anti-competitive agreements, abuse of dominance, combinations and also focusses on competition advocacy and reference. The Competition Commission of India, operational since May 20, 2009, was established under the Competition Act and equipped to deal with inquires relating to anti-competitive agreements, regulate combinations and abuse of dominant position. It has the jurisdiction to inquire into and pass orders, in relation to the aforementioned areas, even if they have been entered into, or are arising out of, or taking place outside India, or signed between one or more non-Indian parties, since they are capable of causing an appreciable adverse effect in the relevant market in India. The Competition (Amendment) Act, 2023 brings in numerous changes to the Competition Act, 2002, aiming to strengthen the regulation and foster a business-friendly environment.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, Indian Contract Act, 1872, Transfer of Property Act, 1882, Indian Stamp Act, 1899, and other applicable statutes imposed by the central and state governments and other authorities for our day-to-day business and operations.

LAWS APPLICABLE TO OUR MATERIAL SUBSIDIARIES

1. *Capillary Technologies Europe Limited, our Material Subsidiary located in England, UK:*

Companies Act, 2006

The Companies Act, 2006 received Royal Assent on November 8, 2006, and is the primary source of company law in the United Kingdom. It consolidates and replaces much of the previous company legislation and introduces comprehensive provisions relating to company formation, operation, and governance. It seeks to simplify company law and improve the regulatory framework for businesses while ensuring accountability and transparency in corporate conduct. Key features of the Companies Act, 2006 include the codification of directors' duties, revised rules on company decision-making and shareholder rights, streamlined procedures for company formation and maintenance, and enhanced reporting requirements. It also establishes the framework for derivative claims, company re-registration, and corporate restructuring, with the overarching aim of fostering good corporate governance and effective stakeholder engagement.

Data Protection Act, 2018 r/w UK General Data Protection Regulation (EU) 2016/679 ("UK GDPR")

The Data Protection Act, 2018 received Royal Assent on May 23, 2018, and constitutes the primary legislative framework for data protection in the United Kingdom. Following the UK's withdrawal from the European Union, the EU General Data Protection Regulation (Regulation (EU) 2016/679) was retained in domestic law as the UK GDPR, with necessary amendments made by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations, 2019. The Data Protection Act, 2018 supplements the UK GDPR by providing additional national rules on the processing of personal data, including provisions concerning public interest, national security, law enforcement, and intelligence services. It further sets out conditions for lawful processing, outlines the rights of data subjects, and details the obligations of data controllers and processors. It also establishes the Information Commissioner's Office as the UK's independent data protection authority, with enforcement powers including audits, fines, and civil penalties. Together, the UK GDPR and the Data Protection Act, 2018 provide a comprehensive legal framework for safeguarding personal data while enabling responsible data processing in both public and private sectors.

Employment Rights Act, 1996

The Employment Rights Act, 1996 received Royal Assent on July 22, 1996, and serves as a foundational statute governing employment law in the United Kingdom. It consolidates and builds upon various pieces of earlier legislation relating to the rights and obligations of employees and employers. It provides for a broad range of statutory protections, including the right to a written statement of employment particulars, protection against unfair dismissal, redundancy rights, and provisions for maternity, paternity, and other family-related leave. It also addresses employee grievances, working time regulations, and entitlement to statutory minimum notice periods. Furthermore, it sets out mechanisms for enforcing these rights through employment tribunals and serves as a cornerstone in maintaining fair and equitable employment practices across the UK.

Immigration Act, 2016

The Immigration Act, 2016 received Royal Assent on May 12, 2016, and forms part of the UK's legislative framework for controlling immigration and reinforcing compliance with immigration rules. It introduces a series of measures aimed at tackling illegal immigration and ensuring that only individuals with lawful status may access work, housing, and public services. Key provisions include the introduction of criminal offences for illegal working, expanded powers for immigration enforcement officers, and enhanced sanctions against employers and landlords who fail to comply with right-to-work or right-to-rent requirements. It also establishes new arrangements for the enforcement of labour market regulations, creates the position of the Director of Labour Market Enforcement, and introduces a mandatory immigration skills charge on employers hiring skilled workers from outside the UK. The legislation underscores the government's commitment to a controlled and fair immigration system.

National Minimum Wage Act, 1998

The National Minimum Wage Act, 1998 received Royal Assent on July 31, 1998, and established for the first time a statutory minimum wage across the United Kingdom. It provides that workers are entitled to receive at least the national minimum wage, the rate of which is reviewed annually and varies depending on the worker's age and employment status (including apprentices). It imposes obligations on employers to pay eligible workers at or above the prescribed rates and to maintain appropriate records as evidence of compliance. Enforcement mechanisms under this legislation include investigation powers granted to HM Revenue and Customs ("**HMRC**"), the imposition of penalties for non-compliance, and provisions allowing workers to recover underpayments. The legislation is a cornerstone of UK labour law and aims to promote fairness in pay, prevent exploitation, and reduce income inequality.

Equality Act, 2010

The Equality Act, 2010 received Royal Assent on April 8, 2010, and consolidates and replaces over 100 previous pieces of anti-discrimination legislation in the United Kingdom. It provides a comprehensive legal framework to protect individuals from discrimination, harassment, and victimisation on the basis of certain protected characteristics, which include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. It applies across a range of sectors, including employment, education, provision of goods and services, and the exercise of public functions. It imposes positive duties on employers, service providers, and public bodies to advance equality and foster good relations between people who share a protected characteristic and those who do not. The legislation also introduces the public sector equality duty and strengthens the ability of individuals to seek legal redress for discriminatory treatment.

Worker Protection (Amendment of Equality Act 2010) Act, 2023

The Worker Protection (Amendment of Equality Act 2010) Act, 2023 received Royal Assent on October 26, 2023, and amends the Equality Act, 2010 to enhance protections against workplace harassment. It introduces a proactive duty on employers to take reasonable steps to prevent sexual harassment of their employees during the course of employment. Failure to comply with this duty may result in an uplift in compensation awards in employment tribunal claims. The amendment seeks to strengthen the legal framework by shifting the focus from reactive measures to preventive action, thereby encouraging employers to foster safer and more respectful workplace environments. The legislation reflects broader societal efforts to address workplace misconduct and promote equality, dignity, and respect at work.

The Working Time Regulations, 1998

The Working Time Regulations, 1998 came into force on October 1, 1998, and implement the European Working Time Directive into domestic law within the United Kingdom. It provides a statutory framework governing working hours, rest periods, and annual leave entitlements for workers. Key provisions include the maximum average working week of 48 hours (subject to an individual opt-out), entitlement to a minimum daily and weekly rest period, rest breaks during working hours, and a statutory minimum of 5.6 weeks' paid annual leave. Special rules apply to night workers and to sectors with specific operational requirements. Employers are obligated to ensure compliance with this legislation and may face enforcement actions or claims in employment tribunals for breaches. It aims to protect health and safety in the workplace by promoting adequate work-life balance and safeguarding workers' rights.

Employment Act, 2002

The Employment Act, 2002 received Royal Assent on July 8, 2002, and introduced a number of significant reforms to UK employment law. It aims to promote fairness and flexibility in the workplace while supporting both employer and employee responsibilities. Key provisions include statutory rights to paid paternity and adoption leave, extensions to maternity leave rights, and the establishment of statutory disciplinary and grievance procedures. It also introduced employment tribunal reforms, including provisions for fixed penalties and deposit orders, and measures to discourage weak claims and defences. Additionally, it laid the foundation for the statutory right to request flexible working for parents of young or disabled children. The legislation reflects a policy shift towards a more balanced and inclusive labour market.

Social Security Contributions and Benefits Act, 1992

The Social Security Contributions and Benefits Act, 1992 received Royal Assent on February 13, 1992, and forms a fundamental part of the UK's social security framework. It consolidates earlier legislation concerning national insurance contributions and entitlements to various social security benefits. It outlines the legal basis for the collection of contributions from employers, employees, and the self-employed, and establishes entitlement criteria for a range of contributory and non-contributory benefits, including jobseeker's allowance, employment and support allowance, maternity allowance, and state pension. It also includes provisions for statutory sick pay and statutory maternity pay. It serves as the legislative foundation for ensuring income security and social protection for individuals in the UK, particularly during periods of unemployment, illness, maternity, or retirement.

Value Added Tax Act, 1994

The Value Added Tax Act, 1994 received Royal Assent on July 5, 1994, and serves as the principal statute governing the imposition and administration of Value Added Tax ("**VAT**") in the United Kingdom. It consolidates prior value added tax legislation and implements the European Union's Sixth VAT Directive as it applied prior to the UK's withdrawal from the European Union. It provides for the chargeability, collection, and recovery of VAT on the supply of goods and services, imports, and intra-community acquisitions. It defines taxable persons, taxable supplies, and the applicable rates, including standard, reduced, and zero rates. It also outlines registration requirements, invoicing obligations, input tax recovery mechanisms, and penalties for non-compliance. HM Revenue and Customs is empowered to administer and enforce the provisions of the legislation. The legislation plays a central role in the UK's indirect taxation regime and constitutes a significant source of public revenue.

Corporation Tax Act, 2010

The Corporation Tax Act, 2010 received Royal Assent on March 3, 2010, and is part of a wider project to simplify and restate UK tax legislation. It consolidates and re-enacts various provisions relating to corporation tax in a more accessible and coherent format. It governs the assessment, calculation, and payment of corporation tax by companies resident in the UK and non-resident companies with UK-source income. Key provisions include rules on trading profits, capital allowances, group relief, losses, and distributions. It operates alongside the Corporation Tax Act, 2009 and the Taxation (International and Other Provisions) Act, 2010 to form the core legislative framework for corporate taxation. The legislation aims to facilitate tax compliance, reduce administrative complexity, and enhance clarity in the application of corporate tax law.

2. *Capillary Pte. Ltd., our Material Subsidiary located in Singapore:*

Employment Act, 1968

The Employment Act, 1968 of Singapore governs key matters such as public holiday and sick leave entitlements, and minimum annual leave, as well as salary payments, allowable deductions and wrongful dismissal. It also regulates other aspects of employment, including working hours, overtime, rest days, holidays, retrenchment benefits, retirement benefits, annual wage supplements, and general conditions of employment or service.

Workplace Safety and Health Act, 2006

The Workplace Safety and Health Act, 2006 of Singapore is the primary legislation regulating the safety, health, and welfare of individuals at the workplace. Among other provisions, this legislation imposes a duty on every employer and principal to take all reasonably practicable measures necessary to ensure the safety and health of their employees, as well as any contractors, subcontractors (whether direct or indirect), and their employees while at work.

Personal Data Protection Act, 2012

The Personal Data Protection Act, 2012 of Singapore (the "**PDPA**") governs the collection, use, and disclosure of individuals' personal data by organizations and is administered by the Personal Data Protection Commission. It sets out the key data protection obligations that organizations must comply with when handling personal data in the following areas:

(i) Consent obligation. Organizations must obtain an individual's consent before collecting, using, or disclosing their personal data.
(ii) Purpose limitation obligation. Personal data may only be collected, used, or disclosed for purposes a reasonable person would consider appropriate in the circumstances, and where applicable, for purposes that have been notified to the individual.
(iii) Notification obligation. Organizations must notify individuals of the purpose(s) for which their personal data is being collected, used, or disclosed at or before the time of such collection, use, or disclosure.
(iv) Access and correction obligations. Upon request, organizations must (a) provide individuals with access to their personal data in the organization's possession or control and information on how it has been used or disclosed in the past year, and (b) correct any errors or omissions in the personal data.
(v) Accuracy obligation. Organizations must make reasonable efforts to ensure that personal data collected is accurate and complete, especially if it is to be used to make decisions affecting the individual or disclosed to third parties.
(vi) Protection obligation. Organizations must make reasonable security arrangements to protect personal data in their possession or control from unauthorized access, use, disclosure, or other risks.
(vii) Retention limitation obligation. Organizations must cease to retain, or anonymize, personal data once it is no longer necessary for legal or business purposes
(viii) Transfer limitation obligation. Personal data must not be transferred outside of Singapore unless the transfer meets the conditions set out in the PDPA.

The Companies Act, 1967 and Insolvency, Restructuring and Dissolution Act, 2018

The Companies Act, 1967 of Singapore governs the incorporation, operation, and regulation of companies in Singapore. The Insolvency, Restructuring and Dissolution Act, 2018 governs processes including winding up and restructurings of companies including in situations of financial distress. Key features relevant to a Singapore subsidiary include:

(i) Companies must have at least one director ordinarily resident in Singapore and maintain a registered office.
(ii) Companies must prepare annual financial statements, maintain various registers and comply with disclosure obligations.
(iii) No dividend is payable to the shareholders of any company except out of profits.
(iv) Companies may be liquidated or wound up including at the initiation of creditors in certain circumstances.

3. Capillary Technologies LLC., our Material Subsidiary located in Minnesota, United States:

Minnesota Revised Uniform Limited Liability Company Act (Minn. Stat. Chapter 322C)

The Minnesota Revised Uniform Limited Liability Company Act (Minn. Stat. Chapter 322C) governs the formation, operation, management, and dissolution of limited liability companies (LLCs) in Minnesota, including requirements for articles of organization, operating agreements, and the rights and duties of members and managers.

Annual Business Renewal (Minn. Stat. § 5.34)

The Annual Business Renewal statute (Minn. Stat. § 5.34) requires all limited liability companies and corporations registered with the Minnesota Secretary of State to file an annual renewal to maintain active status and good standing.

Minnesota Employment Laws (Minn. Stat. Chs. 177, 181, 181A, 363A)

Minnesota Employment Laws (Minn. Stat. Chapters 177, 181, 181A, and 363A) set standards for minimum wage, overtime, child labour, prompt payment of wages, and anti-discrimination, and apply to all employers, including limited liability companies.

Environmental and Safety Regulations (Minn. Stat. Ch. 116B; MNOSHA)

Environmental and Safety Regulations (Minn. Stat. Chapter 116B and MNOSHA) regulate environmental protection and workplace safety, including pollution control and occupational safety standards, and apply to all businesses in Minnesota.

Business License Requirements (Minn. Stat. § 116J.69; local ordinances)

Business License Requirements (Minn. Stat. § 116J.69 and local ordinances) mandate that many cities and counties in Minnesota require local business or industry-specific licenses, even though there is no statewide general business license.

4. Capillary Brierley Inc., our Material Subsidiary located in Delaware, United States:

Delaware General Corporation Law (8 Del. C. § 101 et seq.)

Governs formation, governance, operation, and dissolution of corporations in Delaware. Covers certificate of incorporation, board powers, shareholder rights, and major corporate actions.

Delaware Secretary of State – Annual Franchise Tax Report (8 Del. C. §§ 502–503)

Requires annual report and franchise tax payment. Annual report due by March 1 every year. Franchise tax based on authorized shares or par value. Non-compliance results in penalties and loss of good standing.

Delaware Department of Revenue – Corporate Income Tax (30 Del. C. § 1902 et seq.)

Imposes 8.7% corporate income tax on net income for corporations doing business in Delaware. Tax returns due after fiscal year end. Exemptions and estimated payments may apply.

Delaware Environmental and Safety Regulations (Federal & State; OSHA; DNREC)

Regulates environmental protection and workplace safety. Compliance with Clean Air Act, Clean Water Act, Occupation Safety and Health Administration, and Delaware Code Title 7.

Delaware Business License Requirement (30 Del. C. § 2301 et seq.)

Requires all businesses to obtain a general business license from the Division of Revenue. License must be renewed annually.

Delaware Data Protection Laws (6 Del. C. § 12B-101 et seq.)

Regulates protection of personal information and data breach notification. Requires prompt notification to affected individuals and attorney general.

Texas Business Organizations Code (Tex. Bus. Orgs. Code § 1.001 et seq.)

Governs formation, operation, and dissolution of business entities in Texas. Covers certificate of formation, director/officer duties, shareholder rights, and meetings.

Texas Comptroller of Public Accounts – State Sales Tax (Tex. Tax Code § 151.001 et seq.)

Manages collection of 6.25% state sales tax, with local taxes up to 2%. Businesses selling taxable goods/services must collect and remit sales tax.

Texas Commission on Environmental Quality (TCEQ) (Tex. Water Code § 5.013 et seq.; Tex. Health & Safety Code)

Oversees environmental protection, including air, water, and waste management. Permitting and reporting for emissions, discharges, and waste.

Texas Workforce Commission – Employment Regulations (Tex. Labor Code §§ 21.001, 51.011 et seq.)

Administers employment laws including wage and hour, discrimination, and workplace safety. Covers minimum wage, overtime, unemployment insurance, and anti-discrimination.

Texas Business License Requirement (Texas Occupations Code § 1.001 et seq.; Texas Local Government Code; various local ordinances)

Businesses must comply with industry-specific state licensing (e.g., Texas Occupations Code for regulated professions) and local licensing requirements (city/county ordinances). Some industries require state-level licenses (e.g., contractors, healthcare, food service); localities may have additional requirements.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Kharagpur Technologies Private Limited, a private limited company under the Companies Act, 1956 on March 15, 2012, and was granted the certificate of incorporation by the RoC. The name of our Company was subsequently changed to Capillary Technologies India Private Limited pursuant to a resolution passed by our Board on May 4, 2012 and a special resolution passed by our Shareholders at the EGM held on June 15, 2012, and a fresh certificate of incorporation was issued by the RoC on July 26, 2012. The name of our Company was changed because of our business operations. Upon the conversion of our Company to a public limited company, pursuant to a resolution passed by our Board on October 14, 2021 and a special resolution passed by our Shareholders on November 9, 2021, the name of our Company was changed to Capillary Technologies India Limited and the RoC issued a fresh certificate of incorporation on November 23, 2021.

Changes in the registered and corporate office

Details of changes in the Registered and Corporate Office of our Company since the date of incorporation are as set forth below:

Effective date	Details of change	Reasons for change
August 31, 2021	The registered and corporate office of our Company was changed from Srinidhi, #43/61, 1st floor, Surveyors' Street, Basavanagudi, Bengaluru 560 004, Karnataka, India to #36/5, 2nd floor, Somasandra Palya, adjacent 27th Main Road, Sector 2, HSR Layout, Bengaluru 560 102, Karnataka, India	To ensure greater operational efficiency and to meet business requirements
September 15, 2023	The registered and corporate office of our Company was changed from #36/5, 2nd floor, Somasandra Palya, adjacent 27th Main Road, Sector 2, HSR Layout, Bengaluru 560 102, Karnataka, India to #360, bearing PID No.101/360, 15th cross road, Sector 4, HSR Layout, Bengaluru 560 102, Karnataka, India	To ensure greater operational efficiency and to meet business requirements

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *"To set up, manage research, develop and maintain Software Technology Park (STP), websites, internet gateways, software development centres, multimedia, animation centres, portals to have multiple setups, information centres and consultancy to do the business of internet Service Provider (ISP), ERP / CRM in India or abroad and also provide clients with complete internet web based solutions, to develop components of Ecommerce solution or application for E-business. To provide and develop M-commerce related activities within India or outside India. To provide services in respect of advertising, marketing and delivery of goods, customer relationship management products and services, loyalty programs, franchising, licensing, services and information through web technology and for transmitting and transferring of data, information, selling data bases and other related activities.*

2. *To carry on business Process Outsourcing (BPO) including scanning and digitization of data and Information Technology Enable Services (ITES) in the field of graphics, web designing, finance and accounting, computing, human resources, customer relationship management, content management, procurement outsourcing, retail services, education and training and all other activities carried on by BPO in the field of information technology and to set up and organize call centres providing date processing /computing facilities, training & consultancy services and all types of work & services offered by call centres to industries, trade, business & other types of customers.*

3. *To carry on business in India and elsewhere as Exporters, Importers, Buyers, Sellers and Dealers in Electronic Systems, Information Technology including Consultancy Computer Hardware, Telecom hardware, Software development, infotech Services, Enterprise Solutions, Outsourcing, Facility management, E-commerce, Entertainment, Education and Training. To provide telemarketing and customer related and all other services related thereto."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years preceding the date of this DRHP:

Date of amendment	Details of the modifications
May 4, 2012	Clause V of the Memorandum of Association was altered to reflect the increase in authorized share capital of our Company from ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each to ₹ 19,000,000 divided into 1,900,000 equity shares of ₹ 10 each
June 15, 2012	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Kharagpur Technologies Private Limited" to "Capillary Technologies India Private Limited"
March 27, 2015	Clause V of the Memorandum of Association was altered to reflect the increase in authorized share capital of our Company from ₹ 19,000,000 divided into 1,900,000 equity shares of ₹ 10 each to ₹ 25,000,000 divided into 2,500,000 equity shares of ₹ 10 each
August 19, 2021	Clause V of the Memorandum of Association was altered to reflect the increase in authorized share capital of our Company from ₹ 25,000,000 divided into 2,500,000 equity shares of ₹ 10 each to ₹ 110,000,000 divided into 11,000,000 equity shares of ₹ 10 each
September 29, 2021	Clause V of the Memorandum of Association was altered to reflect the increase in authorized share capital of our Company from ₹ 110,000,000 divided into 11,000,000 equity shares of ₹ 10 each to ₹ 111,000,000 divided into 11,000,000 equity shares of ₹ 10 each and 100,000 preference shares of ₹ 10 each
October 14, 2021	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Capillary Technologies India Private Limited" to "Capillary Technologies India Limited"
October 14, 2021	Clause III (C) with the title "The other objects not included in (A) and (B) above" was merged with Clause III(B) with the title "The objects incidental or ancillary to the attainment of the main objects" and the title of Clause III(B) was changed to "Matters which are necessary for furtherance of the objects specified in clause III (A)". Further, in clause IV, after the words "The liability of the members is limited", the words "and this liability is limited to amount unpaid if any, on the shares held by them" was added
November 17, 2021	Clause V of the Memorandum of Association was altered to reflect the sub-division and reclassification of authorized share capital of our Company from ₹ 111,000,000 divided into 11,000,000 equity shares of ₹ 10 each and 100,000 preference shares of ₹ 10 each into 55,000,000 equity shares of ₹ 2 each and 100,000 preference shares of ₹ 10 each
November 24, 2021	Clause V of the Memorandum of Association was altered to reflect the increase in authorized share capital of our Company from ₹ 111,000,000 divided into 55,000,000 equity shares of ₹ 2 each and 100,000 preference shares of ₹ 10 each to ₹ 151,000,000 divided into 75,000,000 equity shares of ₹ 2 each and 100,000 preference shares of ₹ 10 each
March 8, 2024	Clause V of the Memorandum of Association was altered to reflect the increase in authorized share capital of our Company from ₹ 151,000,000 divided into 75,000,000 equity shares of ₹ 2 each and 100,000 preference shares of ₹ 10 each to ₹ 251,000,000 divided into 125,000,000 equity shares of ₹ 2 each and 100,000 preference shares of ₹ 10 each

Major events and milestones of our Company

Our operations which were undertaken by our Promoter, CTIPL were transferred to our Subsidiary, CPL pursuant to a business and loan transfer agreement dated November 1, 2021, as amended and a deed of assignment dated November 20, 2021. For details, see "– *Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years*" below.

Calendar Year	Event
2013	Our operations (then undertaken by our Promoter, CTIPL), expanded to Dubai through Capillary Dubai, which became our subsidiary in 2021*
2015	Our operations (then undertaken by our Promoter, CTIPL) expanded to China through Capillary Shanghai, which became our subsidiary in 2021*
	Swanland Investment Ltd., an affiliate of Warburg Pincus, invested in our Promoter, CTIPL
	Our Promoter, CTIPL, acquired Reasoning Global Eapplications Private Limited
2017	Our Promoter, CTIPL, made an investment in SellerWorx Online Services Private Limited, an e-commerce services and technology company which was integrated with our business
	Our operations (then undertaken by our Promoter, CTIPL), expanded to Malaysia through Capillary Malaysia, which became our Subsidiary in 2021*
2018	Our operations (then undertaken by our Promoter, CTIPL), expanded to Indonesia through Capillary Indonesia, which became our subsidiary in 2021*
2021	Our Company acquired our Material Subsidiary, CPL*
	Our Company through our Material Subsidiary, CPL, acquired Persuade Holdings, Inc. and Persuade Loyalty, LLC, and entered the US market*
	Capillary Malaysia became the subsidiary of our Material Subsidiary, CPL*
	Capillary Dubai became the subsidiary of our Material Subsidiary, CPL*
	Capillary Indonesia became the subsidiary of our Material Subsidiary, CPL*
	Capillary Shanghai became the subsidiary of our Material Subsidiary, CPL*
2023	Our Company through our Material Subsidiary, CPL, acquired Brierley Europe Limited*
	Our Company through Material Subsidiary, CTL, acquired Brierley & Partners, Inc*
	Our Company through our Material Subsidiary CTL, acquired Capillary USA*
	Our Company through our Material Subsidiary, CPL, acquired certain assets from Tenerity LLC*
2025	Our Company through our Material Subsidiary, CTL, acquired Kognitiv Solutions Inc*
	Our Company through our Material Subsidiary, CTL, acquired certain assets of Kognitiv US LLC*

**For further details see, "Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years" below.*

Awards, accreditations and recognitions received by our Company/ CTIPL:

Our operations which were undertaken by our Promoter, CTIPL were transferred to our Subsidiary, CPL pursuant to a business and loan transfer agreement dated November 1, 2021, as amended and a deed of assignment dated November 20, 2021. For details, see "– *Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years*" below.

Calendar Year	Awards, accreditations and recognitions
2015	Awarded the "Mobile Marketing Agency of the Year" at the Agency of the Year Awards 2015 by Advertising +Marketing
2017	Awarded the "Best Use of Direct Marketing" and "Best Use of Consumer Insights/ Data Analytics" awards at the Loyalty & Engagement Awards, 2017 by Marketing Interactive
	Awarded the "Excellence in data-driven marketing" at Marketing Excellence Awards, 2017 by Advertising + Marketing Magazine
2018	Awarded the "Excellence in data-driven marketing" at Marketing Excellence Awards, 2018 by Marketing Magazine
2019	Awarded the "APN Innovation Partner of the Year- APAC & India" by AWS Partner Network
2019	Awarded the "Intelligent Retail Technology Innovation Award, India 2019" at 2019 India Best Practices Awards Banquet by Frost & Sullivan

Calendar Year	Awards, accreditations and recognitions
2021	Awarded the "Best Retail Technology Solution of the Year" at 6th Future of Work ISV Summit & Awards 2021 by Techplus Media
2022	Awarded the "Best CRM Strategy" award for services rendered to our client, Domino's Pizza Indonesia at the Loyalty & Engagement Awards, 2022 by Marketing Interactive
2022	Awarded the "Best Use of Customer Insights and Data Analytics" award for services rendered to our client, Domino's Pizza Indonesia at the International Loyalty Awards, 2022 by Marketing Interactive
2024	Awarded the "Best Regional Loyalty Campaign" award at the Loyalty & Engagement Awards, 2024 by Marketing Interactive.
2024	Awarded the "Best Loyalty Strategy - Lifestyle" award at the Loyalty & Engagement Awards, 2024 by Marketing Interactive.
2024	Awarded the "Best User Experience" award at the Loyalty & Engagement Awards, 2024 by Marketing Interactive.
2024	Awarded the "Best Loyalty Strategy – Fashion & Beauty" award for services rendered to our client, Jaspal Group, at the Loyalty & Engagement Awards, 2024 by Marketing Interactive.
2024	Awarded the "Best Membership Programme" award for services rendered to our client, Jaspal Group, at the Loyalty & Engagement Awards, 2024 by Marketing Interactive.
2024	Awarded the "SaaS Startup of the year" awarded at SaaSBoomi annual.
2025	Awarded the "Loyalty Program and Rewards in Retail" award for services rendered to our client, Himalaya Wellness Company at the Economic Times Great India Retail Awards, 2025
2025	Awarded the "Highly Commended Best Loyalty Initiative within Leisure, Experience & Entertainment" award at the International Loyalty Awards, 2025.
2025	Awarded the "Best B2B Loyalty Program" award at the International Loyalty Awards, 2025.

Time and cost over-runs

As of the date of this Draft Red Herring Prospectus, there have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

As on date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our borrowings. However, our Company delayed in payment of principal and interest aggregating to (i) ₹10.75 million in Fiscal 2023 in relation to our term loan facility availed from Innoven Capital India Private Limited by seven days, which was subsequently remitted and the delay was condoned by the Innoven Capital India Private Limited; and (ii) ₹57.78 million in Fiscal 2024 in relation to non convertible debentures from Innoven Triple Blue Capital Advisors LLP and term loan from Innoven Capital India Private Limited. The delay ranged from one to eleven days. Both the non-convertibles debentures from Innoven Triple Blue Capital Advisors LLP and term loan from Innoven Capital India Private Limited are not outstanding as on the date of this Draft Red Herring Prospectus.

There was no such delay in payment of interest or principal in Fiscal 2025.

For details, see "*Risk Factors - We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.*" on page 69.

Significant financial or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Capacity/ facility creation, launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by us, entry into new geographies or exit from existing markets, see "*Our Business – Our Products*" on page 248.

Revaluation of assets in the last 10 years

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations, in the last 10 years

Except as stated below, our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, etc., in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Acquisition of CPL by our Company

Details of all the agreements through which CPL became the Subsidiary of our Company

1. ***Subscription agreement between our Company and CPL dated August 30, 2021 ("CPL Subscription Agreement")***

   Our Company entered into a subscription agreement with CPL, wherein CPL agreed to issue, and our Company agreed to subscribe to 1,385,135,135 shares, free from all encumbrances and as fully paid for a consideration of USD 0.0074 for each share aggregating to ₹750.04 million, amounting to 99.99% of the issued, subscribed and paid-up share capital of CPL. This CPL Subscription Agreement was entered into by our Company to hold majority shareholding of CPL, pursuant to which CPL became a subsidiary of our Company.

   The effective date on which CPL became our Subsidiary was September 1, 2021.

   In connection with the transfer, CPL obtained valuation report dated August 25, 2021 from Resurgent India Limited, which valued per share of CPL at ₹ 0.55 based on net asset value methodology.

2. ***Business and loan transfer agreement dated November 1, 2021, entered into between CTIPL and CPL (the "BTA"), as amended through deed of amendment dated December 21, 2021***

   Our Material Subsidiary, CPL, entered into a BTA with one of our Promoter, CTIPL, on November 1, 2021. Under the BTA, CPL purchased the 'business', 'business assets' and 'business liabilities' of CTIPL up to and including the closing date of November 1, 2021. 'Business', 'business assets' and 'business liabilities' under the BTA include guarantees, intellectual property rights, insurance policies, employees, claims, tax benefits etc., along with encumbrances, if any, over such assets for a consideration of ₹16.13 million (USD 215,582). Thereafter, on December 21, 2021, CTIPL and CPL entered into an amendment agreement for amending the scope of "business assets" and "business liabilities" as mentioned in schedule 1 of the BTA. Under the BTA, CPL has assumed liabilities in relation to business of CTIPL arising both before as well as after November 1, 2021. In addition, CPL has indemnified CTIPL for any tax arising out of the transfer of the business.

   CPL and CTIPL also agreed on a novation of the loan amounting to ₹224.49 million (USD three million) from Innoven Capital Singapore Pte. Ltd. to CTIPL as borrower under that loan to CPL with effect from November 1, 2021. Accordingly, CPL is now obliged to repay the loan and meet other obligations under the loan arising both prior as well as after November 1, 2021. CPL's subsidiaries, Capillary Dubai, Capillary Malaysia, Capillary Shanghai, Capillary Technologies Inc., and CTIPL, became guarantors in relation to CPL's performance of its obligations under the loan. There was no valuation report issued for the purpose of such transfer.

   The effective date of the transaction is November 1, 2021.

3. ***Deed of assignment dated November 20, 2021 entered into between CTIPL and CPL (the "Assignment Deed***")

   Pursuant to the business transfer, one of our promoter, CTIPL entered into the Assignment Deed with our Material Subsidiary, CPL, wherein CTIPL has assigned, assured, and transferred, unto CPL, absolutely, irrevocably and in perpetuity with full title guarantee, all rights, title, interests and benefits (whether vested, contingent or future) of CTIPL in Singapore and throughout the world, in its registered and unregistered trademarks and patents intellectual property, with effect from November 1, 2021.

4. ***Deed of Assignment dated February 26, 2023 entered into between CTIPL and CPL (the "CTIPL Assignment Deed")***

   Our Promoter, CTIPL and our Material Subsidiary, CPL, entered into an assignment deed dated February 26, 2023 whereby CTIPL assigned, assured and transferred unto our Company, absolutely, irrevocably and in perpetuity, with full guarantee and free and clear from all encumbrances all rights, title, interest and benefit in the intellectual property as set out in the CTIPL Assignment Deed with effect from 1 November 2021.

5. ***Deed of Assignment dated February 28, 2023 entered into between our Company and CPL (the "CPL Assignment Deed")***

   Our Material Subsidiary, CPL and our Company entered into an assignment deed dated February 28, 2023 whereby CPL assigned, assured and transferred unto our Company, absolutely, irrevocably and in perpetuity, with full guarantee and free and clear from all encumbrances all rights, title, interest and benefit in the intellectual property as set out in the CPL Assignment Deed with effect from 1 April 2022.

   For details of our intellectual properties, see "*Government and Other Approvals – Intellectual Property Rights*" on page 482.

Acquisitions undertaken by our Subsidiaries

Acquisition of Capillary Malaysia by CPL

Deed of gift dated November 22, 2021 entered into by CTIPL in favour of CPL (the "Gift Deed Malaysia")

Our Material Subsidiary, CPL, entered into the Gift Deed Malaysia with one of our Promoter, CTIPL, pursuant to which, CTIPL has agreed to transfer to CPL, as a gift and for no consideration, the entire share capital of its subsidiary, Capillary Malaysia, free of all encumbrances, such that CPL shall become their full legal and beneficial owner, including all rights, titles, interests and benefits.

The effective date of the gift pursuant to which Capillary Malaysia became our Subsidiary is November 22, 2021.

Acquisition of Capillary Dubai by CPL

Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL (the "Gift Deed Dubai")

Our Material Subsidiary, CPL, entered into the Gift Deed Dubai with one of our Promoter, CTIPL, pursuant to which, CTIPL has agreed to transfer to CPL, as a gift and for no consideration, the entire share capital of its subsidiary, Capillary Dubai, free of all encumbrances, such that CPL shall become their full legal and beneficial owner, including all rights, titles, interests and benefits.

The effective date of the gift pursuant to which Capillary Dubai became our Subsidiary is November 30, 2021.

Acquisition of Capillary Indonesia by CPL

Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL (the "Gift Deed Indonesia")

Our Material Subsidiary, CPL, entered into the Gift Deed Indonesia with one of our Promoter, CTIPL, pursuant to which, CTIPL has agreed to transfer to CPL, as a gift and for no consideration, the entire share capital of its subsidiary, Capillary Indonesia, free of all encumbrances, such that CPL shall become their full legal and beneficial owner, including all rights, titles, interests and benefits.

The effective date of the gift pursuant to which Capillary Indonesia became our Subsidiary is November 30, 2021.

Acquisition of Capillary Shanghai by CPL

Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL (the "Gift Deed China")

Our Material Subsidiary, CPL, entered into the Gift Deed China with one of our Promoter, CTIPL, pursuant to which, CTIPL has agreed to transfer to CPL, as a gift and for no consideration, the entire share capital of its subsidiary, Capillary Shanghai, free of all encumbrances, such that CPL shall become their full legal and beneficial owner, including all rights, titles, interests and benefits.

The effective date of the gift pursuant to which Capillary Shanghai became our Subsidiary is November 30, 2021.

Acquisition of Persuade Loyalty, LLC (*now known as Capillary Technologies LLC*) and Persuade Holdings, Inc. by CPL

Acquisition agreement dated September 1, 2021, entered into between Persuade Loyalty, LLC, Persuade Holdings, Inc. (collectively, the "Sellers"), CTIPL, CPL & Vessel Merger Sub, Inc. (the "Acquisition Agreement")

Pursuant to the Acquisition Agreement, our Subsidiary, CPL agreed to purchase and acquire, and the Sellers agreed to sell, transfer and assign 100% of their membership interests to CPL and its nominee, Jim Sturm. Further, pursuant to the Acquisition Agreement, CTIPL, the parent company of CPL, has acquired ownership of Persuade Holdings, Inc. ("**PHI**") by way of a merger of PHI and Vessel Merger Sub, Inc. (wholly owned by CPL), wherein the separate corporate existence of Vessel Merger Sub, Inc. has ceased and PHI continued as the surviving entity post the merger as a wholly owned subsidiary of CPL. This merger qualifies as an "outbound reorganization" within the meaning of Section 367 of the United States Internal Revenue Code of 1986, and as a "reorganization" within the meaning of Section 368(a)(1)(A) and Section 368(a)(2)(E) of the United States Internal Revenue Code of 1986. The consideration, payable for both the acquisition as well as the merger, is subject to a maximum amount of ₹ 2,189.10 million (USD 30 million) payable in multiple tranches in calendar year 2021 (including a cash consideration payable at the closing date and by December 31, 2021) and calendar year 2023 respectively in terms of the Acquisition Agreement.

The total consideration amount for acquisition of Persuade Loyalty, LLC ("**PLC**") and PHI were ₹1,076.25 million (USD 15.00 million) and ₹ 782.08 million (USD 10.90 million), respectively. The acquisition price for acquisition of PLC and PHI were determined based on the projected revenue of calendar year 2022, EBITDA of PLC, and PHI, respectively. The modes of consideration for acquisition of PLC were cash and issue of stock options respectively and the mode of consideration for acquisition of PHI was issue of shares. Further, the total consideration for acquisition of PLC and PHI excludes up to ₹ 299.51 million to be paid in the form of issue of stock options to employees of PLC and PHL based on the earn-out variables model to be calculated based on the business performance in calendar year 2022.

The effective date from which PLC (*now known as Capillary Technologies LLC*) and PHI became our Subsidiaries is September 1, 2021. PHI was closed on June 2, 2023 on account of internal restructuring. There existed no relationship between the Promoters and Directors of our Company with PLC and PHI.

As of March 31, 2023, the acquired enterprises i.e., Capillary Technologies LLC (formerly PLC), did not achieve the earn out condition mentioned in the Acquisition Agreement and hence the contingent consideration was no longer payable. The management of our Company, vide a waiver and consent letter granted an agreed ₹68.42 million (USD 0.83 million) in form of shares of CTIPL and a cash payout of ₹31.47 million (USD 0.38 million) as a final settlement with the erstwhile shareholders and the investors of the acquired enterprises. The balance cash payout of ₹113.82 million (USD 2.12 million), which was no longer payable had been written back to the consolidated statement of profit and loss as exceptional items.

There was no valuation report issued for the purpose of such transfer.

Acquisition of Brierley Europe Limited (*now known as Capillary Technologies Europe Limited*) by CPL

Share purchase agreement dated March 31, 2023, entered into between CPL and Brierley & Partners, Inc. ("the Share Purchase Agreement")

Our Subsidiary, CPL, entered into the Share Purchase Agreement with Brierley & Partners Inc., wherein CPL agreed to purchase the whole of issue share capital, i.e., 1,000 shares of GBP 1 each of Brierley Europe Limited for a consideration of ₹0.0082 million (USD 100). There was no valuation report issued for the purpose of such transfer.

The effective date from which Brierley Europe Limited (*now known as Capillary Technologies Europe Limited*) became our Subsidiary is April 1, 2023. There existed no relationship between the promoters and directors of our Company and Brierley & Partners, Inc.

Acquisition of Brierley & Partners, Inc (*now known as Capillary Brierley Inc.*) by CTL

Stock purchase agreement dated March 30, 2023, entered into between Nomura Research Institute Holdings America, Inc., Brierley & Partners, Inc. and CTL ("the Stock Purchase Agreement")

Our Subsidiary, CTL, entered into the Stock Purchase Agreement, wherein CPL, through its fully owned subsidiary, CTL, purchased 100% stock in Brierley & Partners, Inc from Nomura Research Institute Holdings America, Inc. for consideration of ₹826.30 million (USD 10,062,160.64). There was no valuation report issued for the purpose of such transfer.

The effective date from which Brierley & Partners, Inc (*now known as Capillary Brierley Inc.*) became our Subsidiary is April 1, 2023. There existed no relationship between the Promoters and Directors of our Company and Nomura Research Institute Holdings America, Inc.

Acquisition of certain assets of Tenerity LLC by CPL

Asset Purchase Agreement dated May 4, 2023, between Tenerity LLC, a Delaware limited liability company ("Tenerity") and CPL ("Asset Purchase Agreement 2")

Our Subsidiary, CPL, entered into an Asset Purchase Agreement 2 wherein CPL Agreed to acquire certain assets of Digital Connect business owned by Tenerity for a total consideration amount of ₹277.33 million (USD 3,360,000). The assets purchased are, including but are not limited to, all tangible personal property, certain intellectual property rights owned by Tenerity, certain business contracts, along with all rights to any claims of any nature to the extent solely related to the transferred business contracts, the personnel and human resources records to the extent permissible under the applicable law, and the business portion of shared contracts. There was no valuation report issued for the purpose of such transfer.

The effective date of the transaction is June 1, 2023. There existed no relationship between the Promoters and Directors of our Company and Tenerity LLC.

Acquisition of Capillary Technologies, Inc, by CTL

Secondary stock purchase agreement dated June 22, 2023 entered into between CTIPL and CTL ("Stock Purchase Agreement 2")

Our Material Subsidiary, CTL, entered into the Stock Purchase Agreement 2, wherein CTL, purchased 100% stock in Capillary USA from one of our Promoter, CTIPL, for a consideration of ₹0.78 million (SGD $12,466). There was no valuation report issued for the purpose of such transfer.

The effective date from which Capillary Technologies, Inc became our Subsidiary is June 1, 2023.

Acquisition of Kognitiv Solutions Inc by CTL

Purchase and Sale Agreement dated March 31, 2025 entered into between Loyalty Solutions Holdings US Inc. ("Loyalty Solutions") and CTL ("Purchase and Sale Agreement")

Our Subsidiary, CTL, entered into the Purchase and Sale Agreement wherein CTL agreed to purchase all of the issued and outstanding shares of Kognitiv Solutions Inc. being 100 common shares, for a consideration of ₹138.58 million (CAD $2,331,840), along with all the intellectual property owned or purported to be owned by Loyalty Solutions for a consideration of ₹260.79 million (CAD $4,388,160). There was no valuation report issued for the purpose of such transfer.

The conversion rates used for the above paragraph are as of March 31, 2025, being the date of the Purchase and Sale Agreement, i.e., 1 CAD = ₹59.43 (*Source: www.x-rates.com*).

The effective date from which Kognitiv Solutions Inc became our Subsidiary and transaction became effective is May 1, 2025. There existed no relationship between the Promoters and Directors of our Company and Loyalty Solutions Holdings US Inc.

Acquisition of assets of Kognitiv US LLC by CTL

Asset Purchase Agreement dated March 31, 2025, between CTL and Kognitiv US LLC ("Asset Purchase Agreement 1")

Our Subsidiary, CTL, entered into an Asset Purchase Agreement 1 wherein CTL, purchased all rights, title and interest in and to all of the assets, property and undertaking of Kognitiv US LLC, excluding certain assets including but not limited to, accounts receivables, all books, purchased contracts and office/computer equipment of the transferred employees that is owned by Kognitiv US LLC, for a total consideration amount of ₹1,026.95 million (CAD $17,280,000). The authority to sell, convey and transfer Kognitiv US LLC assets were dependent upon approval of the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"). On April 29, 2025, the Bankruptcy Court provided its approval. There was no valuation report issued for the purpose of such transfer.

The conversion rates used for the above paragraph are as of March 31, 2025, being the date of the Asset Purchase Agreement, i.e., 1 CAD = ₹59.43 (*Source: www.x-rates.com*).

The date from which the transaction became effective is May 1, 2025. There exists no relationship between Promoters and Directors of our Company and Kognitiv US LLC.

Holding Company

As on the date of this Draft Red Herring Prospectus, our holding company is CTIPL which holds 48,008,006(1)(2) equity shares representing 65.47% of the issued, subscribed and paid-up equity share capital of our Company. For details, see "*Capital Structure – Build-up of the shareholding of our Promoters in our Company*" on page 133.

(1) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar in his capacity as the nominee of CTIPL.*

(2) *The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

Corporate information

CTIPL was incorporated as Solus Investment Pte. Limited, a private limited company on February 13, 2012 under the laws of Singapore. Subsequently its name was changed to CTIPL on May 29, 2012. Its unique identity number is 201203442K, and its registered office is situated at 160 Robinson Road, #20-03, Singapore 068 914. Its permanent account number is AAGCC1466R.

Nature of business

CTIPL is engaged in the business of amongst others, development of software and software as a service. CTIPL has not changed its activities from the date of its incorporation.

Capital structure

The capital structure of CTIPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares
Issued, subscribed and paid-up capital	12,003,041 ordinary shares and 31,111,401 preference shares

Shareholding pattern

The shareholding pattern of CTIPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of ordinary shares	Number of preference shares on as if converted basis	Percentage shareholding on as if converted basis (%)^	Voting Rights(1) (%)
1.	Qualcomm Asia Pacific Pte Ltd	661,000	1,578,000	5.19%	8.00%
2.	Qualcomm Incorporated	480,000	-	1.11%	

Sr. No.	Name of the shareholder	Number of ordinary shares	Number of preference shares on as if converted basis	Percentage shareholding on as if converted basis (%)^	Voting Rights(1) (%)
3.	Qualcomm Ventures LLC	-	53,549	0.12%	
4.	Technology Incubation and Entrepreneurship Training Society	100,000	-	0.23%	4.15%
5.	Peak XV Partners III Ltd	625,306	1,946,000	5.96%	
6.	Peak XV Partners Growth Fund II Ltd	632,000	2,973,000	8.36%	8.00%
7.	Peak XV Partners Growth Investments II	-	521,488	1.21%	
8.	AVP I Fund	1,442,000	7,297,805	20.27%	8.00%
9.	Pandora Holdings	542,666	9,330,401	22.90%	8.00%
10.	Neytiri Holdings	1,773,044	7,347,428	21.15%	8.00%
11.	Filter Capital India Fund I	578,923	-	1.34%	8.00%
12.	Anvaya Ventures, Inc.	-	40,125	0.09%	Nil
13.	Steffen Naumann	28,000	23,605	0.12%	2.14%
14.	Ranjan Jei Anandan	97,000	-	0.22%	4.03%
15.	Aloke Malik	93,000	-	0.22%	3.86%
16.	Anant Choubey(2)	295,000	-	0.68%	Nil(2)
17.	Vidya Tadanki and Venkat Ramana Tadanki (on behalf of the exempt trust created under the Aditya Tadanki Special Trust) (2)	50,000	-	0.12%	
18.	Vidya Tadanki and Venkat Ramana Tadanki (on behalf of the exempt trust created under the Anupama Tadanki Special Trust) (2)	50,000	-	0.12%	Nil(2)
19.	Venkat Ramana Tadanki(2)	512,582	-	1.19%	
20.	Vijay Acharya	34,000	-	0.08%	1.41%
21.	Vikas Tayal	49,000	-	0.11%	2.03%
22.	Abhay Raosaheb Deshpande	2,000	-	Negligible	0.08%
23.	Aneesh Reddy Boddu	3,248,000	-	7.53%	8.00%
24.	Mark Do Boer	27,528	-	0.06%	1.14%
25.	Kesri Singh	45,880	-	0.11%	1.91%
26.	Xto10x Technologies Pte. Ltd.	79,464	-	0.18%	3.30%
27.	William Leon Jansen	82,584	-	0.19%	3.43%
28.	Ajay Gupta, Trustee representing Anshu Gupta Exempt Children's Trust	134,577	-	0.31%	5.60%
29.	Harold Brierley	269,156	-	0.62%	8.00%
30.	Premila Puthanveetil Radhakrishnan	28,132	-	0.07%	1.17%
31.	Vinayak Ramachandra Hegde	28,132	-	0.07%	1.17%
32.	Madan Nagaldinne	14,067	-	0.03%	0.58%
	Total	**12,003,041**	**31,111,401**	**100.00%**	**100.00%**

^ *Excludes ESOPs.*

(1) *In accordance with the constitution of CTIPL, at no point (pre or post listing of Equity Shares of our Company) will any (i) shareholder or (ii) a group of shareholders of CTIPL acting in concert with each other ("**CTIPL Shareholder Group**"), be entitled to exercise voting rights in excess of 8.00%. Further, CTIPL shall have a minimum of 13 (thirteen) shareholders or CTIPL Shareholder Group with voting rights, at all times.*

(2) *In accordance with the Constitution of CTIPL, except for our Founder, Aneesh Reddy Boddu, no shareholder of CTIPL: (i) who is a director of CTIPL or director of a company in which CTIPL owns more than 10% of the share capital; or (ii) who is controlled by such a director referred to in point (i) above, shall be entitled to exercise any votes on the shares they hold in CTIPL.*

The details of warrant holders of CTIPL as on date of this Draft Red Herring Prospectus, is as follows

Sr. No.	Name of the warrant holder	Number of warrants
1.	OptumHealth Care Solutions, LLC	3,213,484
2.	Innoven Capital Singapore Pte. Ltd.	76,000
3.	SFTrust Holdings, LLC	20,565

Note: Each warrant is convertible into 1 ordinary share of CTIPL

Our subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has 10 Subsidiaries:

1. Capillary Pte. Ltd.;
2. Capillary Technologies Inc, USA;
3. Capillary Technologies DMCC;
4. Capillary Technologies (Malaysia) Sdn. Bhd.;
5. PT Capillary Technologies Indonesia;
6. Capillary Technologies LLC;
7. Capillary Technologies (Shanghai) Co. Ltd.;
8. Capillary Technologies Europe Limited;
9. Capillary Brierley Inc; and
10. Kognitiv Solutions Inc.

Set out below are the details of our Subsidiaries:

1. Capillary Pte. Ltd. ("CPL")

Corporate information

CPL was incorporated as a private limited company on July 21, 2021 under the laws of Singapore. Its registration number is 202125294W, and its registered office is situated at 68 Circular Road, #02-01, Singapore 049422.

Investment Details

CPL became the subsidiary of our Company pursuant to the subscription agreement dated August 30, 2021. For further details, see "- *Subscription agreement between our Company and CPL dated August 30, 2021 ("**CPL Subscription Agreement**")"* on page 310.

Details of brands owned/ maintained/ operated

As on date of this DRHP, CPL does not own any brands outside its interests in trademarks assigned to it under the deeds of assignment of intellectual property which have not been assigned to the Company, and otherwise does not maintain or operate any brands.

Nature of business

CPL is engaged in the business of providing cloud based intelligent customer engagement software solutions to retail chain operators, SMS campaign services that are bundled together with the retainer services and one-time installation service that are bundled together with the retainer services.

Capital structure

The capital structure of CPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares
Issued, subscribed and paid-up capital	3,935,219,421

Shareholding pattern

The shareholding pattern of CPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of ordinary shares held	Percentage of total capital (%)
1.	Capillary Technologies India Limited	3,935,219,421	100
Total		**3,935,219,421**	**100**

Financial Information

The brief financial information of CPL for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity Share Capital	2,785.11	2,785.11	2,424.31
2.	Reserves and surplus	1,702.55	308.86	319.92
3.	Revenue from operations	857.22	979.54	970.81
4.	Profit/(loss) after tax for the year	3.43	41.14	(392.29)
5.	Basic earnings (*₹ per share)*	0.00	0.01	(0.17)
6.	Diluted earnings (*₹ per share)*	0.00	0.01	(0.17)

2. **Capillary Technologies Inc, USA ("Capillary USA")**

Corporate information

Capillary USA was incorporated as a private limited company on May 30, 2012 under the laws of California. Its registration number is 3475946, and its registered office is situated at 800 West El Camino Real, Suite 180 Mountain View, CA - 94040.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary USA does not own, maintain or operate any brands.

Nature of business

Capillary USA is engaged in the business of sale of software services.

Investment Details

Capillary USA became the subsidiary of our Company pursuant to the Stock Purchase Agreement dated June 22, 2023. For further details, see "- *Secondary Stock Purchase Agreement dated June 22, 2023 entered into between CTIPL and CTL ("**Stock Purchase Agreement 2**")"* on page 313.

Capital structure

The capital structure of Capillary USA as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares (of USD 0.00001 each)
Authorised capital	10,000,000
Issued, subscribed and paid-up capital	100,000

Shareholding pattern

The shareholding pattern of Capillary USA as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of shares (of USD 0.00001 each) held	Percentage of total capital (%)
1.	CTL	100,000	100

Sr. No.	Name of the shareholder	Number of shares (of USD 0.00001 each) held	Percentage of total capital (%)
Total		**100,000**	**100**

Financial Information

The brief financial information of Capillary USA for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023*
1.	Equity Share Capital	0.82	0.82	N.A.
2.	Reserves and surplus	14.46	12.30	N.A.
3.	Revenue from operations	67.35	49.16	N.A.
4.	Profit/(loss) after tax for the year	1.81	22.03	N.A.
5.	Basic earnings (*₹ per share)*	18.14	220.30	N.A.
6.	Diluted earnings (*₹ per share)*	18.14	220.30	N.A.

**Capillary USA was acquired on June 1, 2023. Therefore, the audited financial information for Fiscal 2023 is not available.*

3. **Capillary Technologies DMCC ("Capillary Dubai")**

Corporate information

Capillary Dubai was incorporated as Capillary Technologies JLT, a private limited company on March 19, 2013 under the laws of Dubai Multi Commodities Centre under service license no. 68482. Its name was subsequently changed to Capillary Dubai on January 30, 2015. It is registered with FTA with TRN 100300127600003 with effect from January 1, 2018. Its registration number is JLT-68482, and its registered office is situated at Unit No: RET-R6-148, Detached Retail R6, Plot No: JLT-PH2-RET-R6, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary Dubai does not own, maintain or operate any brands.

Nature of business

Capillary Dubai is engaged in the business of providing information consultancy services and development of software and programming activities and undertaking all such activities as are necessary for such business.

Investment Details

Capillary Dubai became the subsidiary of CPL by way of a gift deed dated November 30, 2021. For further details, see "- *Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL (the "**Gift Deed Dubai**")"* on page 311.

Capital structure

The capital structure of Capillary Dubai as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares (ordinary shares of face value AED 1,000 each)
Authorised capital (ordinary shares of face value AED 1,000 each)	1,886
Issued, subscribed and paid-up capital (ordinary shares of face value AED 1,000 each)	1,886

Shareholding pattern

The shareholding pattern of Capillary Dubai as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of shares (ordinary shares of face value AED 1,000 each)	Percentage of total capital (%)
1.	CPL	1,886	100
Total		**1,886**	**100**

Financial Information

The brief financial information of Capillary Dubai for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity Share Capital	41.16	1.01	1.01
2.	Reserves and surplus	(127.32)	(101.80)	(154.24)
3.	Revenue from operations	311.31	312.51	434.90
4.	Profit/(loss) after tax for the year	9.29	10.58	506.69
5.	Basic earnings (*₹ per share)*	4,923.97	211,665.44	10,133,886.58
6.	Diluted earnings (*₹ per share)*	4,923.97	211,665.44	10,133,886.58

4. Capillary Technologies (Malaysia) Sdn. Bhd. ("Capillary Malaysia")

Corporate information

Capillary Malaysia was incorporated as a private limited company on July 21, 2017 under the Companies Act 2016, in accordance with Malaysian laws. Its registration number is 201701025567 (1239733-D), and its registered office is situated at Unit D-3A-4, Level 4, Block D, SetiaWalk, Persiaran Wawasan, Pusat Bandar Punchong, 47160 Punchong, Selangor Darul Ehsan and the principal place of business is located at No. A-31-5, Menara UOA Bangsar, No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary Malaysia does not own, maintain or operate any brands.

Nature of business

Capillary Malaysia is engaged in the business of, among others, providing development of software, data analytical services and programming activities and undertaking all such activities as are necessary for such business.

Investment Details

Capillary Malaysia became the subsidiary of CPL by way of a gift deed dated November 22, 2021. For further details, see "- *Deed of gift dated November 22, 2021 entered into by CTIPL in favour of CPL (the "**Gift Deed Malaysia**")"* on page 311.

Capital structure

The capital structure of Capillary Malaysia as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares (of face value MYR 1 each held)
Authorised capital	500,100
Issued, subscribed and paid-up capital	500,100

Shareholding pattern

The shareholding pattern of Capillary Malaysia as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of shares (of face value MYR 1 each held)	Percentage of total capital (%)
1.	CPL	500,100	100
Total		500,100	100

Financial Information

The brief financial information of Capillary Malaysia for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity Share Capital	8.68	8.68	8.68
2.	Reserves and surplus	(85.16)	(82.49)	(90.01)
3.	Revenue from operations	49.17	54.20	76.55
4.	Profit/(loss) after tax for the year	0.32	0.57	0.75
5.	Basic earnings (*₹ per share)*	0.63	1.14	1.50
6.	Diluted earnings (*₹ per share)*	0.63	1.14	1.50

5. PT Capillary Technologies Indonesia ("Capillary Indonesia")

Corporate information

Capillary Indonesia was incorporated as a private limited company on June 4, 2018 based on the notarial deed No. 01 of Dita Okta Sesia, S.H., M.Kn under the laws of Republic of Indonesia. Its articles of association were approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decree no. AHU-0079307.AH.01.11.TAHUN 2018 dated June 7, 2018. Its business identification number is 8120000791117, and its registered office is situated at Gedung PSW Tower Lantai 2, Jalan Pangeran Antasari Nomor 75, Kel. Cilandak Barat, Kec. Cilandek, Kota Adm. Jakarta Selatan, Provinsi DKI, Jakarta, Indonesia.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary Indonesia does not own, maintain or operate any brands.

Nature of business

Capillary Indonesia is engaged in the business of, among others, management consulting, with sub activities are providing advisory assistance, guidance and business operations and other organizational and management issues.

Investment Details

Capillary Indonesia became the subsidiary of CPL by way of a gift deed dated November 30, 2021. For further details, see "- *Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL (the "**Gift Deed Indonesia**")"* on page 311.

Capital structure

The capital structure of Capillary Indonesia as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares (face value IDR 14,000 each)
Authorised capital	800,000
Issued, subscribed and paid-up capital	800,000

Shareholding pattern

The shareholding pattern of Capillary Indonesia as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of shares (face value IDR 14,000 each) held	Percentage of total capital (%)
1.	CPL	800,000	100
Total		**800,000**	**100**

Financial Information

The brief financial information of Capillary Indonesia for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity Share Capital	1.59	1.59	1.59
2.	Reserves and surplus	(46.99)	(48.71)	(50.91)
3.	Revenue from operations	44.63	64.07	70.69
4.	Profit/(loss) after tax for the year	1.34	0.23	2.13
5.	Basic earnings (*₹ per share)*	1.67	0.29	*2.67*
6.	Diluted earnings (*₹ per share)*	1.67	0.29	2.67

6. **Capillary Technologies LLC ("CTL")**

Corporate information

CTL was incorporated on March 25, 2011 as Persuade Loyalty Inc., a private limited under the laws of Minnesota Statutes. Its name was changed to Persuade Loyalty LLC on July 19, 2013. Subsequently, Persuade Loyalty, LLC. filed to change name to CTL on July 15, 2022. Its registration number is 710149300022, and its registered office is situated at 202 N Cedar Ave STE #1, Suite 200, Owatonna, Minnesota 55060 and its principal place of business as 333 South Seventh Street, Minneapolis, Minnesota, 55402.

Details of brands owned/ maintained/ operated

As on date of this DRHP, CTL does not own, maintain or operate any brands.

Nature of business

CTL is engaged in the business of providing a SaaS technology loyalty technology and engagement platform for its customers.

Investment Details

CTL became the subsidiary of CPL by way of acquisition agreement dated September 1, 2021. For further details, please see "*– Acquisition agreement dated September 1, 2021, entered into between Persuade Loyalty, LLC, Persuade Holdings, Inc. (collectively, the "**Sellers**"), CTIPL, CPL & Vessel Merger Sub, Inc. (the "**Acquisition Agreement**")*" on page 312.

Capital structure

The following table sets forth details of the unit capital of CTL as on date of this Draft Red Herring Prospectus:

Number of membership units
2,424,694

Our Company holds 2,424,694 units of CTL, through our Subsidiary, CPL aggregating to 100.00% of the unit capital of CTL.

Financial Information

The brief financial information of CTL for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity Share Capital	964.17	964.17	68.21
2.	Reserves and surplus	1608.28	1,140.84	676.87
3.	Revenue from operations	1,971.90	972.50	810.59
4.	Profit/(loss) after tax for the year	430.93	231.64	(57.17)
5.	Basic earnings (*₹ per share)*	177.73	95.53	(23.58)
6.	Diluted earnings (*₹ per share)*	177.73	95.53	(23.58)

7. Capillary Technologies (Shanghai) Co. Ltd. ("Capillary Shanghai")

Corporate information

Capillary Shanghai was incorporated as a private on July 28, 2015 with an operating term of 20 years in China (Shanghai) free trade test area under the Companies laws of the People's Republic of China. Its uniform social credit code is 91310000351056380R, and its registered office is situated in Room 543, Building 4, No 111, Ershan Road, China (Shanghai) pilot Free Trade Zone. It conducts its business at Room 102, Building B, No. 668, Hengfen Road, Jingan District, Shanghai 200 070.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary Shanghai does not own, maintain or operate any brands.

Nature of business

Capillary Shanghai is engaged in the business of, among others, providing development of software, production, sales of products, and providing related technical consultation, technical service and undertaking all such activities as are necessary for such business.

Investment Details

Capillary Shanghai became the subsidiary of CPL by way of a gift deed dated November 30, 2021. For further details, see "- *Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL (the "**Gift Deed China**")*" on page 311.

Capital structure

As of the date of this Draft Red Herring Prospectus, CTIPL, had invested USD 7.07 million in the capital of Capillary Shanghai aggregating to 100.00% of the capital of Capillary Shanghai. However, post the Business Transfer followed by Gift Deed China, the shares of Capillary Shanghai were transferred to our Material Subsidiary, CPL.

Financial Information

The brief financial information of Capillary Shanghai for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity Share Capital	510.35	510.35	510.35
2.	Reserves and surplus	(509.92)	(509.20)	(500.55)
3.	Revenue from operations	Nil	Nil	56.11
4.	Profit/(loss) after tax for the year	(0.71)	(8.46)	(0.14)
5.	Basic earnings (₹ per share)	(0.10)	(1.20)	(0.02)
6.	Diluted earnings (₹ per share)	(0.10)	(1.20)	(0.02)

8. Capillary Technologies Europe Limited ("Capillary Europe")

Corporate information

Capillary Europe was incorporated as Jarvis Limited, a private limited on December 30, 1996, under the provisions of the Companies Act 1985, at Companies House, Cardiff. In April 3, 1997, its name changed to

Brierley Europe limited, which further changed to Capillary Europe on April 14, 2023. Its registration number is 03297240, and its registered office is situated at Office 3.09., B - Fora 1, Lyric Square Hammersmith, London - W6 0NB.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary Europe does not own, maintain or operate any brands.

Nature of business

Capillary Europe is engaged in the business of offering artificial intelligence-based cloud-native Software-as-a-Service products and solutions to large enterprise customers globally to develop loyalty of their consumers and channel partners.

Investment Details

Capillary Europe became the subsidiary of CPL by way of a share purchase agreement dated March 31, 2023. For further details, see *"- Share purchase agreement dated March 31, 2023, entered into between CPL and Brierley & Partners, Inc. ("**the Share Purchase Agreement**")*" on page 312.

Capital structure

The capital structure of Capillary Europe as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares (of 1 GBP each)
Issued, subscribed and paid-up capital	389,409

Shareholding pattern

The shareholding pattern of Capillary Europe as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of shares (of 1 GBP each) held	Percentage of total capital (%)
1.	CPL	389,409	100
Total		**389,409**	**100**

Financial Information

The brief financial information of Capillary Europe for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023*
1.	Equity Share Capital	40.43	40.43	N.A.
2.	Reserves and surplus	52.64	16.58	N.A.
3.	Revenue from operations	917.23	679.12	N.A.
4.	Profit/(loss) after tax for the year	25.85	(114.18)	N.A.
5.	Basic earnings (*₹ per share)*	66.38	(293.21)	N.A.
6.	Diluted earnings (*₹ per share)*	66.38	(293.21)	N.A.

**Capillary Europe was acquired on April 1, 2023. Therefore, the audited financial information for Fiscal 2023 is not available.*

9. Capillary Brierley Inc. ("Capillary Brierley")

Corporate information

Capillary Brierley was incorporated as a private corporation under the name Targeted Marketing Systems Inc. on May 21, 1984 with the office of secretary of state of Delaware and received its certificate of incorporation. On January 11, 2000, the name of the company was changed to e-lationship.com Inc, and subsequently to Brierley & Partners Inc. on December 5, 2000. On July 3, 2023, upon the acquisition of Brierley & Partners Inc., the name of the company was changed to Capillary Brierley, Inc. Its registration number is 203579 and has its registered office at 8 The Green, Suite A, Dover, Delaware 19901. It has its principal place of business at 8560 Belleview Drive, Suite #300, Plano, Texas 75024.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Capillary Brierley does not own, maintain or operate any brands.

Nature of business

Capillary Brierley is engaged in the business of providing loyalty technology and services offering a full range of services including program design, strategy, research, analytics, and digital solutions.

Investment Details

Capillary Brierley became the subsidiary of CTL by way of a stock purchase agreement dated March 30, 2023. For further details, see "- *Stock purchase agreement dated March 30, 2023, entered into between Nomura Research Institute Holdings America, Inc., Brierley & Partners, Inc. and CTL* ***("the Stock Purchase Agreement")***" on page 313.

Capital structure

The capital structure of Capillary Brierley as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares
Authorised capital (of USD 10 each)	100,000
Issued, subscribed and paid-up capital (of USD 0.01 each)	100

Note: With effect from October 17, 2024, the authorised share capital of Capillary Brierley was 200,000 shares of common stock at par value of USD 0.01 per share has been revised to authorised share capital of 100,000 shares of common stock at par value USD 10 per share.

Shareholding pattern

The shareholding pattern of Capillary Brierley as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of shares (of USD 0.01 each) held	Percentage of total capital (%)
1.	CTL	100	100%
Total		**100**	**100%**

Financial Information

The brief financial information of Capillary Brierley for Fiscal 2025, 2024, and 2023 is as follows:

(₹ in million, unless specified otherwise)

No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023*
1.	Equity Share Capital	-	-	N.A.
2.	Reserves and surplus	225.03	375.82	N.A.
3.	Revenue from operations	1376.05	1,666.28	N.A.
4.	Profit/(loss) after tax for the year	(166.42)	(85.18)	N.A.
5.	Basic earnings (*₹ per share)*	(1,664,243.49)	(851,835.20)	N.A.
6.	Diluted earnings (*₹ per share)*	(1,664,243.49)	(851,835.20)	N.A.

**Capillary Brierley was acquired on April 1, 2023. Therefore, the audited financial information for Fiscal 2023 is not available.*

10. Kognitiv Solutions Inc. ("Kognitiv Solutions")

Corporate information

Kognitiv Solutions was incorporated as a private company on December 09, 2024 under the laws of Canada. Its registration number is 1001084557, and its registered office is situated at 161 Bay Street, Suite 2700, Office 2610, Toronto, Ontario, M5J2S1, Canada.

Investment Details

Kognitiv Solutions became the subsidiary of our Company pursuant to the purchase and sale agreement dated March 31, 2025. For further details, see "- *Purchase and Sale Agreement dated March 31, 2025 entered into between Loyalty Solutions Holdings US Inc. ("Loyalty Solutions") and CTL ("Purchase and Sale Agreement")"* on page 313.

Details of brands owned/ maintained/ operated

As on date of this DRHP, Kognitiv Solutions does not own, maintain or operate any brands.

Nature of business

Kognitiv Solutions is engaged in the business of software provider across loyalty management, data intelligence / activation solutions targeting customer loyalty programs.

Capital structure

The capital structure of Kognitiv Solutions as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Number of shares (of USD 0.01 each)
Issued, subscribed and paid-up capital	100

Shareholding pattern

The shareholding pattern of Kognitiv Solutions as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of ordinary shares (of USD 0.01 each) held	Percentage of total capital (%)
1.	CTL	100	100
Total		**100**	**100**

Financial Information

Kognitiv Solutions was acquired on May 1, 2025. Therefore, the audited financial information of Kognitiv Solutions for the last three Fiscals is not available.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Common pursuits

Our Subsidiaries are engaged in business similar to the business of our Company. However, we do not perceive any conflict of interest in this regard given our majority shareholding and interest in these entities. For details, see "*Our Business - Properties*" on page 292.

Business interest between our Company and our Subsidiaries

Our Subsidiaries are engaged in business similar to the business of our Company. Additionally, except as stated in "*Restated Consolidated Financial Information – Note 35 - Related Party Disclosures - Transactions eliminated during the year end*" on page 403, none of our Subsidiaries have any business interest in our Company and there have been no related business transactions between our Company and our Subsidiaries during the last three Fiscals.

Other confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

There are no conflicts of interest between our Subsidiaries, or their respective directors and any lessors of immovable properties taken on lease by our Company (crucial for the operations of the Company).

Our Subsidiaries or their respective directors do not have any conflict of interest with our suppliers/vendors of raw materials and third-party service providers (crucial for operations of the Company).

Except as disclosed in this Draft Red Herring Prospectus, there are no findings/observations of any of the inspections by SEBI or any other regulator which are material, and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision of prospective investors.

Joint venture and associates of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associates.

Shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements amongst our Shareholders with respect to the Company, which are material and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

Other material agreements

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no other agreements/ arrangements and clauses/ covenants which are material, and which need to be disclosed or non-disclosure of which may have a bearing on the investment decision in connection with the Offer.

Indemnity and Exit Agreement

Pursuant to Article 151A(1) of the constitution of our Promoter, in the event CTIPL is participating as a Selling Shareholder in the Offer for Sale, then CTIPL is under an obligation to provide an exit to its shareholders in accordance with the terms specified therein, from the proceeds of such sale its Equity Shares in our Company in accordance with applicable laws. In this regard our Company, CTIPL and shareholders of CTIPL have executed an indemnity and exit agreement dated June 17, 2025 ("**Exit Agreement**"), pursuant to which the (i) shareholders of CTIPL have agreed to hold harmless and indemnify CTIPL in respect of any tax claims incurred by it on account of exit provided to such shareholders in accordance with Article 151A(1) of the constitution of CTIPL; and (ii) CTIPL has right to receive certain information in relation to our Company, as provided in the Exit Agreement, upto the date of filing of the Red Herring Prospectus with RoC (*but not thereafter*) in connection with the Offer.

Further, our Company has not entered into any other agreements which are material and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer, including with any strategic partners or joint venture partners or financial partners, which is subsisting, other than in the ordinary course of business.

Agreements with Key Managerial Personnel, Senior Management, Director, Promoters or any other employee impacting the management or control of our Company or imposing restrictions or liability upon our Company

There are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters, Promoter Group members, shareholders of our Company, related parties of our Company, or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Other agreements

As on date of this Draft Red Herring Prospectus, our Company has not entered into any other subsisting material agreement, including with strategic partners or financial partners, other than in the ordinary course of business. Further, we confirm that except as disclosed in "*Capital Structure – Build-up of Shareholding of our Promoters in our Company*" on page 133, "*– Other Material Agreements – Indemnity and Exit Agreement*" on page 326 and this Draft Red Herring Prospectus, there are no other inter-se agreements or arrangements entered into by and amongst any of the Promoters or Shareholders, or agreements of like nature, or agreements comprising material clauses/covenants that are required to be disclosed in this Draft Red Herring Prospectus or containing clauses/covenants that are adverse/prejudicial to the interest of minority/public shareholders. Except for the information rights available to our Promoter, CTIPL in relation to our Company until filing of the Red Herring Prospectus as disclosed under "*– Other Material Agreements – Indemnity and Exit Agreement*" on page 326, our shareholders and our Promoters do not hold any special rights in our Company. However, our Company confirms that there are no special rights which are proposed to survive post-listing.

Except as disclosed in "- *Other material agreements*" above, there are no agreements entered into by the Shareholders, Promoters, Promoter Group entities, related parties, Directors, KMPs, employees of our Company or of our Subsidiaries, among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company, whether or not our Company is a party to such agreements.

Material clauses of the AoA

Except as disclosed under the "*Description of Equity Shares and Terms of Articles of Association*" on page 540, there are no material clauses of the AoA that have been left out from disclosure in this Draft Red Herring Prospectus, having bearing on the Offer.

Guarantees given by Promoters offering its shares in the Offer for Sale

Our Promoter Selling Shareholder, CTIPL, has not given any guarantee to any third party as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

In terms of the Companies Act, 2013 and the Articles of Association, our Company is authorised to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, we have six Directors on our Board, comprising of two Executive Directors and four Independent Directors, including one women Independent Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus*:

Name, Designation, Address, Occupation, Date of birth, Term, Period of Directorship and DIN	Age (in years)	Other Directorships
Neelam Dhawan ***Designation***: Chairperson and Independent Director ***Address:*** C3/10, DLF City Phase 1, Near Park, Gurgaon - 122 002 Haryana, India ***Occupation:*** Retired ***Date of birth:*** October 22, 1959 ***Term:*** Five years with effect from December 10, 2024 ***Period of Directorship***: Since December 10, 2021 ***DIN:*** 00871445	65	**Indian Companies:** • ICICI Bank Limited; • Fractal Analytics Limited; • Hindustan Unilever Limited; • Tech Mahindra Limited; • Ather Energy Limited; and • Nudge Lifeskills Foundation. **Foreign Companies:** • Capita PLC, UK; and • Yatra Online Inc., USA
Aneesh Reddy Boddu ***Designation:*** Managing Director and Chief Executive Officer ***Address:*** 80 RBD Stillwaters situated at Silver County RD, Besides Harlur Lake, Bengaluru - 560 102 Karnataka, India ***Occupation***: Employment ***Date of birth:*** October 4, 1984 ***Term:*** Three years with effect from November 24, 2024 and liable to retire by rotation ***Period of Directorship:*** Since February 21, 2013 ***DIN:*** 02214511	40	**Indian Companies:** • Reasoning Global Eapplications Private Limited. **Foreign Companies:** • Capillary Technologies Inc., USA; • Capillary Technologies (Malaysia) Sdn. Bhd.; • Capillary Technologies (Shanghai) Co. Ltd.; • Capillary Pte. Ltd.; and • PT Capillary Technologies Indonesia.
Anant Choubey ***Designation***: Whole-time Director, Chief Financial Officer and Chief Operating Officer ***Address***: 149/7 Street 1, Behind Durga Mandir, Maitri Kunj, Civic Centre Bhilai S.O., Durg - 490 006 Chhattisgarh, India ***Occupation***: Professional ***Date of birth***: July 1, 1986 ***Term***: Three years with effect from November 24, 2024 and liable to retire by rotation ***Period of Directorship***: Since January 2, 2020 ***DIN***: 06536413	38	**Indian Companies:** • Reasoning Global Eapplications Private Limited. **Foreign Companies:** • Capillary Technologies (Malaysia) Sdn. Bhd.; • Capillary Technologies (Shanghai) Co. Ltd.; • PT Capillary Technologies Indonesia; • Capillary Technologies Europe Limited; • Capillary Brierley Inc.; • Kognitiv Solutions Inc.

Name, Designation, Address, Occupation, Date of birth, Term, Period of Directorship and DIN	Age (in years)	Other Directorships
Farid Lalji Kazani ***Designation*****:** Independent Director ***Address*****:** 1101, Nook Apartments, S.V. Road, Santacruz West, Mumbai - 400 054, Maharashtra, India ***Occupation*****:** Service ***Date of birth*****:** April 2, 1967 ***Term*****:** Five years with effect from December 10, 2024 ***Period of Directorship*****:** Since December 10, 2021 ***DIN*****:** 06914620	58	**Indian Companies:** • Renew Zindagi Private Limited. **Foreign Companies:** • Nil.
Venkat Ramana Tadanki ***Designation:*** Independent Director ***Address:*** 18 Canyonwood, Irvine, CA, USA, 92620 ***Occupation:*** Investor ***Date of birth:*** November 4, 1961 ***Term:*** Five years with effect from December 10, 2024 ***Period of Directorship*****:** Since December 10, 2021 ***DIN:*** 00149481	63	**Indian Companies:** • Nil. **Foreign Companies**: • Capillary Pte Ltd.; • Capillary Technologies LLC; • Capillary Technologies DMCC; and • Capillary Brierley Inc.
Peeyush Ranjan ***Designation:*** Independent Director ***Address:*** 4233 E Lake Sammamish Shore Ln Se, Sammamish, WA 98075-7442 ***Occupation*****:** Management ***Date of birth:*** March 27, 1974 ***Term:*** Five years with effect from May 7, 2025 ***Period of Directorship:*** Since May 7, 2025 ***DIN:*** 11069839	51	**Indian Companies:** • Nil. **Foreign Companies:** • Airship AI Holdings, Inc.

** None of our directors are appointed as nominees on behalf of any shareholders or any other person.*

Brief profiles of our Directors

Neelam Dhawan is the Chairperson and an Independent Director of our Company. She holds a bachelor's degree in arts (honours course) and a master's degree in business administration from the University of Delhi. She has over 30 years of experience including in the field of sales operations, business development, and revenue growth initiatives. She has been associated with our Company since December 10, 2021. She was previously associated with Hewlett-Packard Enterprise India Private Limited as their vice-president, sales, and with HP India Sales Private Limited, Hewlett-Packard Enterprise India Private Limited, Microsoft Corporation (India) Private Limited as their managing director.

Aneesh Reddy Boddu is the Founder, Managing Director and the Chief Executive Officer of our Company and is responsible for overseeing and managing the business affairs of our Company. 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. He has over 15 years of experience including in the field of operational management, strategy, business development, and overall executive oversight. He has been associated with our Company since incorporation. In 2015, he was recognised by Fortune India magazine as one of the "40 under 40 - India's Brightest Young Business Minds" and in 2017, he was recognised by Economic Times under the "ET 40 under Forty" category. He was previously associated with ITC Limited.

Anant Choubey is the Whole-time Director, Chief Operating Officer and Chief Financial Officer of our Company. He holds a bachelor of technology (honours) degree in industrial engineering from the Indian Institute of Technology, Kharagpur. He has over 15 years of experience in managing operational efficiency, strategy and overall organizational financial management and performance. He has been associated with our Company since incorporation. He was previously associated with Procter and Gamble Home Products Private Limited in the capacity of manager of product supply.

Farid Lalji Kazani is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai. He has also a member of the Institute of Chartered Accountants of India and has completed the final examinations held by the Institute of Cost and Works Accountants of India. He has over 37 years of experience including in the fields of corporate finance, audit and assurance. He has been associated with our Company since December 10, 2021. He has been awarded the "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, UK at the 2019 Global CFO Excellence Awards and was recognised by 9.9 Media in the "CFO100 Roll of Honour" for five consecutive years from 2015-2019. He is currently serving as a partner of Amir Advisory Services LLP, a strategy and financial consulting firm. He was previously associated with Course5 Intelligence Private Limited as their executive vice-president, Majesco Limited as their managing director, Mastek Limited as their group chief financial officer and finance director, Marico Industries Limited as division finance head, RPG Enterprises Limited as their vice-president (corporate finance), BPL Mobile Communications Limited as their head of corporate finance, Firstsource Solutions Limited as their chief financial officer (India), Cashless Technologies India Private Limited as an independent director, Piramal Enterprises Limited as their senior manager, finance, and National Organic Chemical Industries Limited .

Venkat Ramana Tadanki is an Independent Director of our Company. He holds a bachelor's degree in arts (honours course) from the University of Delhi and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He is also a charter member of TiE SoCal**,** Southern California and founder member and director of SoCal Angels Funds. He has over 18 years of experience including in the fields of distribution logistics, international trade and export operations, brand strategy and market expansion initiatives. He has been associated with our Company since December 10, 2021. He was previously associated with ITC Limited, Daksh.com E-Services Private Limited, and Pepsico India Holdings Private Limited, serving in various roles.

Peeyush Ranjan is an Independent Director of our Company. He holds a bachelor's of technology (honours) degree in computer science and engineering from Indian Institute of Technology, Kharagpur, a master's 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 including in the fields software technology and artificial intelligence. He has been associated with our Company since May 7, 2025. He currently also 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.

Arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Red Herring Prospectus, there are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

Relationship between our Directors and Key Managerial Personnel or Senior Management Personnel

None of our Directors are related to each other or any other Key Managerial Personnel or Senior Management Personnel in our Company.

Confirmations

None of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

Except as disclosed below, none of our Directors appear in the list of directors of struck-off companies by registrar of companies, MCA.

Anant Choubey, our Whole-time Director, Chief Financial Officer and Chief Operating Officer was an additional director on the board of Antfarm Robotics Private Limited, a company struck-off by the registrar of companies, Pune.

No consideration, either in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person, either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as a Wilful Defaulter or a Fraudulent Borrower.

Terms of appointment of Executive Directors

Aneesh Reddy Boddu

Aneesh Reddy Boddu was appointed as the Whole-time Director and Chief Executive Officer of our Company with effect from November 24, 2021, pursuant to a resolution passed by our Board at their meeting held on November 20, 2021 and a resolution passed by our Shareholders' at their EGM held on November 24, 2022. He was later re-designated as the Managing Director and vice-chairman of our Company with effect from January 1, 2023 pursuant to a resolution passed by our Board at their meeting held on September 26, 2022 and a resolution passed by our Shareholders' at their AGM held on September 29, 2022.

Later, he was appointed as the Chief Executive Officer of our Company and was relieved from the position of vice-chairman of our Company with effect from May 14, 2024, pursuant to a resolution passed by our Board at their meeting held on May 14, 2024. He was further re-appointed as the Managing Director and Chief Executive Officer of the Company with effect from November 24, 2024 pursuant to a resolution passed by our Board at their meeting held on August 27, 2024 and a resolution passed by our Shareholders' at their AGM held on September 27, 2024. The details of remuneration and perquisites payable to him during the term of his office, as per his employment agreement dated and effective from November 24, 2024, include the following:

(a) fixed remuneration of ₹11.60 million to ₹17.60 million per annum;

(b) variable remuneration of ₹6.46 million to ₹9.90 million;

(c) reimbursement for travelling expenses for official purposes as per the rules of the Company;

(d) gratuity as per the rules of the Company;

(e) Company's contribution to provident fund as per the rules of the Company;

(f) reimbursement of telephone and internet expenses at his residence as per the rules of the Company;

(g) insurance premium covered under group term life insurance, group medical policy, group personal accident insurance, and employee compensation policy, as per the rules of the Company;

(h) leave and encashment of leave as per the rules of the Company; and

(i) other allowances, benefits and perquisites Board may decide from time to time, subject to applicable law.

Anant Choubey

Anant Choubey was appointed as the Whole-time Director and Chief Operating Officer of our Company with effect from November 24, 2021, pursuant to a resolution passed by our Board at their meeting held on November 20, 2021 and a resolution passed by our Shareholders' at their EGM held on November 24, 2021. Further, he was appointed as the Chief Financial Officer of our Company with effect from September 2, 2022, pursuant to a resolution passed by our Board at their meeting held on September 2, 2022.

He was further re-appointed as the Whole-time Director, and Chief Operating Officer of the Company with effect from November 24, 2024 pursuant to a resolution passed by our Board at their meeting held on August 27, 2024 and a resolution passed by our Shareholders' at their AGM held on September 27, 2024. The details of remuneration and perquisites payable to him during the term of his office, as per his employment agreement dated and effective from November 24, 2024, include the following:

(a) fixed remuneration of ₹10.50 million to ₹15.95 million per annum;

(b) variable remuneration of ₹3.50 million to ₹5.50 million;

(c) reimbursement for travelling expenses for official purposes as per the rules of the Company;

(d) gratuity as per the rules of the Company;

(e) Company's contribution to provident fund as per the rules of the Company;

(f) reimbursement of telephone and internet expenses at his residence as per the rules of the Company;

(g) insurance premium covered under group term life insurance, group medical policy, group personal accident insurance, and employee compensation policy, as per the rules of the Company;

(h) leave and encashment of leave as per the rules of the Company; and

(i) other allowances, benefits and perquisites Board may decide from time to time, subject to applicable law.

Remuneration to Executive Directors

The details of remuneration paid to the Managing Director and the Whole-time Director of our Company for the Fiscal 2025 are as follows:

Name of Director	Remuneration (in ₹ million)
Aneesh Reddy Boddu	16.31
Anant Choubey	12.96

Payment or benefit to Non-executive Directors of our Company

Our Non-executive Directors are entitled to sitting fees for attending meetings of the Board and the Committees. Pursuant to a resolution passed by our Board at their meeting held on December 10, 2021, each of the Non-executive Directors of our Company is entitled to a sitting fee of ₹ 0.10 million for attending each meeting of our Board and of the committees of our Board.

Further, pursuant to a resolution passed by our Board at their meeting held on April 30, 2025 and a resolution passed by our Shareholders' at their AGM held on May 30, 2025, each of the Non-executive Directors of our Company is entitled to an annual commission, not exceeding ₹3.00 million, for the financial year 2025-26 and onwards. This commission, which may exceed 1% of the company's net profits as per Section 198 of the Companies Act, 2013, is in addition to sitting fees and expense reimbursements and will be distributed as determined by the Board. Additionally, if there are no profits or inadequate profits in any financial year, the Company will pay the commission, not exceeding ₹3.00 million, to each Non-executive Director for the financial year 2025-26 and thereafter, as per Schedule V of the Companies Act.

Furthermore, pursuant to a resolution passed by our Board at their meeting held on April 30, 2025, have approved a total remuneration of ₹1.20 million for Non-executive Directors for the financial year 2025-26. This amount excludes sitting fees and expense reimbursements.

Compensation to Non-executive Directors of our Company

The details of compensation, including sitting fees paid to the Non-executive Directors of our Company for the Fiscal 2025 are as follows:

Name of Director	Remuneration (in ₹ million)^
Neelam Dhawan	1.10
Farid Lalji Kazani	0.80
Venkat Ramana Tadanki	0.90
Peeyush Ranjan*	Nil

**Appointed as an independent director on the board of the Company pursuant to a resolution of the Board dated May 7, 2025 and regularised pursuant to the resolution of the Shareholders dated May 29, 2025. He was not paid any remuneration in Fiscal 2025.*
^ There is no contingent or deferred compensation payable to our Directors for Fiscal 2025, which does not form part of their remuneration during Fiscal 2025.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus, is set forth below:

Sr. No.	Name of the Director	Number of equity shares of face value ₹2 each	Percentage of the pre-Offer equity share capital (%)
1.	Aneesh Reddy Boddu	1,701,681	2.32%
2.	Anant Choubey	918,732	1.25%
3.	Neelam Dhawan	Nil	Nil
4.	Farid Lalji Kazani	61,037	0.08%
5.	Venkat Ramana Tadanki	110,843*	0.15%
6.	Peeyush Ranjan	Nil	Nil

** The shareholding of Venkat Ramana Tadanki includes 9,734 equity shares of face value ₹2 each, held by William Leon Jansen as the registered owner, given that the beneficial ownership of such equity shares was transferred by William Leon Jansen to Venkat Ramana Tadanki pursuant to the share purchase agreement dated February 3, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 12, 2025. The credit of these Equity Shares to the demat account of the Venkat Ramana Tadanki will be credited to his demat account upon rectification of technical issue.*

Borrowing Powers

In accordance with the Companies Act and other applicable laws, our Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on March 24, 2023, our Board is authorised to borrow any sum or sums of money for and on behalf of the Company from time to time which together with monies already borrowed do not exceed the sum of ₹ 2,500 million.

In the event our Company proposes to borrow sums in excess of such limits prescribed by the Companies Act, we will be required to obtain the consent of our shareholders through a special resolution.

Interests of Directors

Certain of our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Certain of our Directors may also be regarded as interested in Equity Shares held by them, if any (together with dividends in respect of such Equity Shares), or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, pursuant to the Offer and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners. For details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 33.

As on the date of this Draft Red Herring Prospectus, none of our Directors have any interest in any venture that is involved in activities similar to those conducted by our Company.

As on the date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers/vendors of raw materials, third-party service providers or lessors of the immovable properties (crucial for operations of the Company) and our Directors.

Except for Aneesh Reddy Boddu, none of our Directors have any interest in promotion or formation of our Company as on the date of this Draft Red Herring Prospectus.

(i) *Interest in property*

Our Directors do not have any interest in any property acquired by our Company, or proposed to be acquired by our Company.

(ii) *Business interest*

Except as stated in *"Summary of the Offer Document – Summary of Related Party Transactions"* on page 33, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

(iii) *Loans to Directors*

No loans have been availed by the Directors from our Company.

(iv) *Bonus or profit-sharing plan for the Directors*

None of the Directors are a party to any bonus or profit-sharing plan of our Company.

(v) *Service contracts with Directors*

There are no service contracts executed by our Company with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

(vi) *Interest in property, land, construction of building and supply of machinery*

Our Directors do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Changes in the Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of appointment / change / cessation	Reason
Peeyush Ranjan	May 7, 2025	Appointment as an independent director of the Company.
Yamini Preethi Natti	May 7, 2025	Resignation as an independent director of the Company.
Aneesh Reddy Boddu*	November 24, 2024	Re-appointed as the Managing Director and Chief Executive Officer
Anant Choubey	November 24, 2024	Re-appointed as the Whole-time Director, and Chief Operating Officer
Sameer Garde	March 31, 2024	Resigned as group chief executive officer and whole-time director of the Company
Sameer Garde	January 1, 2023	Re-designated as whole-time director from independent director and appointed as group chief executive officer

* *He was re-designated as the Managing Director and Vice-Chairman of our Company with effect from January 1, 2023 pursuant to a resolution passed by our Board at their meeting held on September 26, 2022 and a resolution passed by our Shareholders' at their AGM held on September 29, 2022. Later, he was appointed as the Chief Executive Officer of our Company and was relieved from the position of Vice-Charman of our Company with effect from May 14, 2024, pursuant to a resolution passed by our Board at their meeting held on May 14, 2024.*

Our Executive Directors, Anant Choubey and Aneesh Reddy Boddu are liable to retire by rotation and were re-appointed immediately upon such retirement by our Board and Shareholders.

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act 2013, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

As on the date of this Draft Red Herring Prospectus, our Board has six directors comprising of two executive directors, and four independent directors (including one woman independent director).

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute other committees for various functions.

I. Audit Committee

The members of the Audit Committee are:

1. Farid Lalji Kazani, *Chairperson*
2. Neelam Dhawan, *Member*
3. Venkat Ramana Tadanki, *Member*
4. Anant Choubey, *Member*

The Audit Committee was constituted pursuant to a resolution of the Board in its meeting held on December 10, 2021. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations read with part C of Schedule II of the SEBI Listing Regulations. The terms of reference of the Audit Committee as stipulated pursuant to a resolution dated April 20, 2025 passed by our Board, are as follows:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee of the Company;

(c) To obtain outside legal or other professional advice;

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and

(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations, each as amended.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub- section 3 of section 134 of the Companies Act;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(u) Reviewing the functioning of the whistle blower mechanism;

(v) Approval of the appointment of the Chief Financial Officer of the Company ("**CFO**") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws;

(x) To formulate, review and make recommendations to the Board to amend the Audit Committee's terms of reference from time to time;

(y) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances;

(z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(aa) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;

(bb) review the financial statements, in particular, the investments made by any unlisted subsidiary;

(cc) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(dd) approving the key performance indicators ("**KPIs**") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

(ee) Such roles as may be prescribed under the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations and other applicable laws or by any regulatory or statutory.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(c) Internal audit reports relating to internal control weaknesses;

(d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(e) Statement of deviations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

- annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

II. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Venkat Ramana Tadanki, *Chairperson*
2. Neelam Dhawan, *Member*
3. Farid Lalji Kazani, *Member*

The Nomination and Remuneration Committee was constituted pursuant to a resolution of the Board in its meeting held on December 10, 2021 and was last re-constituted pursuant to a resolution of the Board in its meeting held on May 23, 2025. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee as stipulated pursuant to a resolution dated April 20, 2025 passed by our Board, are as follows:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(ii) Formulation of criteria for evaluation of performance of independent directors and the Board;

(iii) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of an external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(iv) Devising a policy on Board diversity;

(v) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(vi) Analysing, monitoring and reviewing various human resource and compensation matters;

(vii) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(viii) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(ix) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(x) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(xi) To allot shares against the options exercised in terms of Employees stock option scheme of the Company as approved by shareholders from time-to- time.

(xii) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(xiii) The NRC from time to time shall take necessary administrative steps in order to implement, supervise and administer the Plan including but not limited to the following:

(a) Issue, amend, modify the grant letters to grantees.

(b) Accept nomination forms /exercises notices from grantees.

(c) Sign and deliver all letters, correspondence, certificates, undertaking, other deeds and document on behalf of the Company for any purpose incidental or ancillary to the Plan.

(d) Appoint any consultant, lawyer, professional etc., for any opinion, advice, views or to represent the Company before any statutory or non-statutory authority. Also, appoint a valuer/ merchant banker / chartered accountant as may be required.

(e) Do all such acts, deeds and things as may be required to be done to implement and administer the Plan or any other matter connected thereto under the authority of the NRC.

(f) To determine the procedure and other terms and conditions for buy-back of Options granted, if the Company decides to undertake the buy-back of the Options granted at any time in compliance with applicable laws.

(g) carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(xiv) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("**ESOP Scheme**")

(a) Determining the eligibility of employees to participate under the ESOP Scheme;

(b) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

(c) Date of grant;

(d) Determining the exercise price of the option under the ESOP Scheme;

(e) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

(f) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(g) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

(h) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(i) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

(j) The grant, vest and exercise of option in case of employees who are on long leave;

(k) Allow exercise of unvested options on such terms and conditions as it may deem fit;

(l) The procedure for cashless exercise of options;

(m) Forfeiture/ cancellation of options granted;

(n) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
   - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
   - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
   - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(o) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(p) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
   - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
   - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
   - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

   by the Company and its employees, as applicable;

(q) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and

(r) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

III. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Neelam Dhawan, *Chairperson*
2. Aneesh Reddy Boddu, *Member*
3. Farid Lalji Kazani, *Member*

The Stakeholders' Relationship Committee was constituted pursuant to a resolution of the Board in its meeting held on December 10, 2021 and was last re-constituted on September 26, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference of the Stakeholder's Relationship Committee as stipulated pursuant to a resolution dated April 20, 2025 passed by our Board, are as follows:

(i) Redressal of all security holders' and investors' grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

(ii) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(iii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(iv) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(v) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(vi) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

(vii) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;

(viii) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(ix) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board from time to time;

(x) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;

(xi) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s); and

(xii) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations, or by any other regulatory authority.

IV. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Peeyush Ranjan, *Chairperson*
2. Anant Choubey, *Member*
3. Venkat Ramana Tadanki, *Member*

The Corporate Social Responsibility Committee was constituted pursuant to a resolution of the Board in its meeting held on December 10, 2021 and was last re-constituted on May 23, 2025. The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee as stipulated pursuant to a resolution dated May 23, 2025 passed by our Board are as follows:

(i) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(ii) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(iii) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities, being at least two-percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its corporate social responsibility and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(iv) To formulate and recommend to the Board, an annual action plan in pursuance to the corporate social responsibility policy, which shall include the following, namely:

(a) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;

(b) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the implementation of the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

(v) Identifying and appointing the corporate social responsibility team of the Company and delegate responsibilities to such team and supervise proper execution of all delegated responsibilities;

(vi) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(vii) To take note of the compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;

(viii) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred or perform such responsibilities as may be required by the corporate social responsibility committee in terms of the provisions of Section 135 of the Companies Act; and

(ix) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

V. Risk Management Committee

The members of the Risk Management Committee are:

1. Neelam Dhawan, *Chairperson*
2. Anant Choubey, *Member*
3. Peeyush Ranjan, *Member*

The Risk Management Committee was constituted pursuant to a resolution of the Board in its meeting held on December 10, 2021 and was last re-constituted on May 23, 2025. The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the Listing Regulations. The terms of reference of the Risk Management Committee as stipulated pursuant to a resolution dated April 20, 2025 passed by our Board, are as follows:

(i) To formulate a detailed risk management policy which shall include:

(a) framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the committee;

(b) measures for risk mitigation including systems and processes for internal control of identified risks; and

(c) business continuity plan.

(ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.

(vii) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

(viii) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

(ix) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security, as may be delegated by the Board;

(x) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee;

(xi) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and

(xii) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

VI. IPO Committee

The members of the IPO Committee are:

1. Aneesh Reddy Boddu, *Chairperson*
2. Anant Choubey, *Member*
3. Farid Lalji Kazani, *Member*

The IPO Committee was constituted pursuant to a resolution of the Board in its meeting held on April 20, 2025.

The terms of reference of the IPO Committee of our Company as stipulated pursuant to a resolution dated April 20, 2025 passed by our Board, are as follows:

(i) To make applications to seek clarifications and obtain approvals from, where necessary, the SEBI, the Stock Exchanges, the Reserve Bank of India, the Registrar of Companies or any other statutory or governmental authorities as may be required, in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and incorporate such modifications/amendments/alterations/corrections as may be required in the DRHP, the RHP and the prospectus;

(ii) To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

(iii) All actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, in accordance with the Applicable Laws;

(iv) To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank(s), refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsel, monitoring agency, grading agency, auditors, independent chartered accountants, industry data providers, and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalisation, execution and, if required, amendment of the offer agreement with the BRLMs and the underwriting agreement with the underwriters;

(v) To negotiate, finalise, settle, execute and deliver or arrange the delivery of offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

(vi) To decide in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including any reservation, green shoe option and any rounding off in the event of any oversubscription, the price band (including offer price for anchor investors), any revision to the price band, bid period, minimum bid lot, Offer Price, price after bid closure, to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable law, determine the anchor investor portion, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations thereto;

(vii) to take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval, notices and intentions received of the selling shareholders for offering their Equity Shares in the Offer for Sale allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the applicable laws;

(viii) To finalise, approve, adopt, deliver and arrange for, in consultation with the BRLMs, submission of the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP"), the prospectus, abridged prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and application forms, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all Applicable Law;

(ix) To approve the relevant restated financial statements to be issued in connection with the Offer;

(x) To seek, if required, the consent and waivers from the lenders of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;

(xi) To open and operate bank account(s) of the Company in terms of the cash escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xii) To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(xiii) To approve code of conduct suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements, as may be considered necessary or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;

(xiv) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

(xv) To approve suitable policies in relation to the Offer as may be required under Applicable Laws;

(xvi) To approve any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws, in connection with the Offer;

(xvii) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(xviii) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xix) To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer Price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the BRLMs;

(xx) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(xxi) To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with Applicable Laws;

(xxii) To make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

(xxiii) To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(xxiv) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;

(xxv) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;

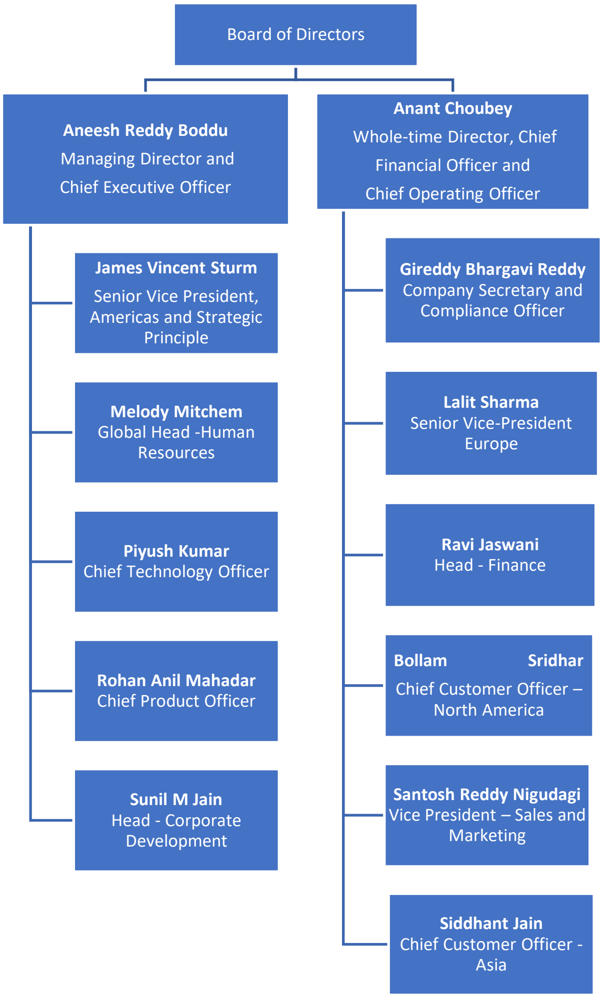
(xxvi) To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;

(xxvii) To approve the expenditure in relation to the Offer;

(xxviii) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing; and

(xxix) To submit undertaking/certificates or provide clarifications to or obtain approvals and seek exemptions, if necessary, from the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed.

MANAGEMENT ORGANISATION CHART



KEY MANAGERIAL PERSONNEL

In addition to (i) Aneesh Reddy Boddu, our Managing Director and Chief Executive Officer; and (ii) Anant Choubey, our Whole-time Director, Chief Financial Officer and Chief Operating Officer, whose details are provided in "*– Brief profiles of our Directors*" and "*– Remuneration to Executive Directors*" on pages 329 and 332, respectively, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations as on the date of this Draft Red Herring Prospectus are set forth below:

Gireddy Bhargavi Reddy is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from Sri Krishnadevaraya University, Anantapur and a master's degree in business administration from Sikkim Manipal University. She is also an associate member of the Institute of Company Secretaries of India. She has been associated with our Company since July 14, 2021 and is responsible for ensuring statutory compliance, maintaining corporate governance standards and supporting in regulatory matters in our Company. Prior to joining our Company, she was associated with Embassy Property Developments Private Limited, MIC Electronics Limited, Meridian Medical Research and Hospital Limited and SMPL Realty Limited as their company secretary, and with Nandi Economic Corridor Enterprises Limited as their senior manager. In Fiscal 2025, she received a remuneration of ₹5.32 million from our Company.

SENIOR MANAGEMENT PERSONNEL

In addition to (i) Anant Choubey, our Whole-time Director, Chief Financial Officer and Chief Operating Officer, whose details are provided in "*– Brief Profiles of our Directors*" and "*– Remuneration to Executive Directors*" on pages 329 and 332, respectively and (ii) Gireddy Bhargavi Reddy, our Company Secretary and Compliance Officer, whose details are provided in "*– Key Managerial Personnel*" on page 348, the details of our other Senior Management Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

Sunil M Jain is our Head – Corporate Development. He holds a bachelor's of commerce degree in advanced financial accounting and management accounting from Bangalore University. He has also completed the final examinations held by Institute of Chartered Accountants of India. He joined our Company on September 30, 2019 and is responsible for investor relations and drives strategic initiatives that supports our Company's growth and long-term value creation in our Company. He has been bestowed the "40 under 40 award in finance – 2024" by Mizuho India. Prior to joining our Company, he was associated with Embassy Property Developments Private Limited as their senior financial analyst- finance and accounts, Accenture Solutions Private Limited as their interim audit-finance and operations specialist, KPMG Global Services Private Limited as their assistant manager, Global e-Business Operations Private Limited as their financial analyst and BSR and Co. as their staff accountant. In Fiscal 2025, he received a remuneration of ₹8.78 million from our Company.

Rohan Anil Mahadar is our Chief Product Officer. He holds a bachelor's degree in engineering from Pune Institute of Computer Technology and a post-graduate degree in management from the Indian School of Business, Hyderabad. He joined our Company on August 31, 2015. His role focuses on building scalable, enterprise-grade products, enhancing user experience, and delivering innovation that helps global brands deepen customer relationships and drive growth in our company. Prior to joining our Company, he was associated with IBM India Private Limited as their associate system engineer, Cognizant Technology Solutions India Private Limited as their senior manager- business development, and ThreePoint Technologies Private Limited as their product manager and co-founder. In Fiscal 2025, he received a remuneration of ₹10.89 million from our Company.

Piyush Kumar is our Chief Technology Officer. He holds a bachelor's of technology degree (honours) in instrumentation engineering from the Indian Institute of Technology, Kharagpur and a bachelor's degree in science (economics) from the London School of Economics and Political Science, University of London. He joined our Company on August 1, 2016 and is responsible for overseeing the technology strategy, ensuring the development and scalability of the product, and leading the engineering team to drive innovation and maintain high-quality software in our Company. Prior to joining our Company, he was associated with HiveMinds Innovative Market Solutions Private Limited as their principal architect, Thought Works Technologies India Private Limited as their application developer, Qwest Telecom Software Services Private Limited in the capacity of a senior software engineer and Sapient Consulting Private Limited in the capacity of senior associate (technology L1). In Fiscal 2025, he received a remuneration of ₹13.25 million from our Company.

James Vincent Sturm is our Senior Vice President, Americas and Strategic Principle. He holds a bachelor's degree in science from the State University of New York. He joined CTL and has been associated with our Company since January 1, 2021 and is responsible for leading sales strategy, driving revenue growth, and managing high-performing sales teams to achieve business targets in our Company. Prior to joining us, he was associated with Brierley + Partners, Inc. as their president and chief executive officer. In Fiscal 2025, he received a remuneration of ₹27.03 million from CTL, a Subsidiary of our Company.

Melody Mitchem is our Global Head – Human Resources. She is responsible for human resources strategy and leadership in our Company. She holds a bachelor's degree in arts in communication (journalism) from the University of Texas at Arlington. She also received a certificate as a professional in human resources from the HR Certification Institute – Society for Human Resource Management. She joined Capillary Brierley and has been associated with our Company since April 1, 2023. Prior to joining us, she was associated with etalk Corporation as director of human resources, Brierley + Partners Inc. as senior vice-president of human resources, Verio Inc. as human resources manager, Vertex Business Services LLC as global human resources director – shared services, decision sciences and North American information technology. She was also associated with Middlebrook Pharmaceuticals Inc. In Fiscal 2025, she received a remuneration of ₹17.58 million from Capillary Brierley, a Subsidiary of our Company.

Bollam Sridhar is our Chief Customer Officer – North America. He is responsible for the overall profit and loss, delivery execution, and strategic growth within the existing customer base in the North American region for our Company. He leads the end-to-end delivery function across North America. He also helps with managing and expanding relationships with key strategic accounts, establishing scalable operating models, enforcing governance processes, and ensuring compliance with SLAs and quality standards across all regional active programs for our Company. He holds a bachelor's degree in electrical engineering from Indian Institute of Technology, Kharagpur. He joined Capillary Brierley and has been associated with our Company since incorporation. Prior to joining us, he was associated with Hansa Customer Equity Private Limited as their consultant- analyst. In Fiscal 2025, he received a remuneration of ₹24.75 million from Capillary Brierley, a Subsidiary of our Company.

Ravi Jaswani is our Head – Finance. He holds a bachelor's degree in commerce from Bangalore University and has also completed the final examinations held by the Institute of Chartered Accountants of India. He joined our Company on June 23, 2022 and is responsible for managing the financial health of the Group and all the finance related activities including financial planning, risk management, record-keeping and financial reporting in our Company. Prior to joining our Company, he was associated with BSR & Associates LLP as their associate director of audit. In Fiscal 2025, he received a remuneration of ₹5.55 million from our Company.

Siddhant Jain is our Chief Customer Officer - Asia. He is responsible for enhancing customer satisfaction and lifetime value across the Asia region, with a focus on improving net promoter score and net revenue retention. In addition to leading strategic customer initiatives, he also drives key post-sale operational efficiencies and holds P&L accountability for customer-facing functions in our Company. He holds a bachelor's of engineering degree in electrical engineering from the G.S. Institute of Technology and Science, Indore and has also completed the senior executive leadership program from Cornell University. He joined Capillary Dubai on December 16, 2014 and has been associated with our Company since incorporation. He was not employed with any other organisation prior to joining us. In Fiscal 2025, he received a remuneration of ₹16.61 million from Capillary Dubai, a Subsidiary of our Company.

Santosh Reddy Nigudagi is our Vice President – Sales and Marketing. He is responsible for the new client acquisition and driving revenue from new accounts for the Asia region in our Company. He holds a bachelor's of engineering degree in electronics and communication engineering from Visveswaraiah Technological University, Belgaum and has also completed the post-graduate programme in management from Indian School of Business, Hyderabad. He has been associated with our Company on March 17, 2014 and is responsible for the new client acquisition and driving revenue from new accounts for the Asia region of our Company. Prior to joining us, he was associated with Induslynk Training Services Private Limited as their manager- sales and marketing, NIIT Limited as their engagement manager, Agilent Technologies India Private Limited as their research and development engineer, expert, software, and N.I. Systems (India) Private Limited as their application engineer. During his tenure at NIIT Limited, he received the "Young Achiever 2011-12" award. Further, he also received the "Captain Forever" award in 2023 and the "Key Win Awards- Asia" award in 2024 from our Company. In Fiscal 2025, he received a remuneration of ₹10.90 million from Capillary Malaysia, a Subsidiary of our Company.

Lalit Sharma is our Senior Vice-President – Europe. He is responsible for driving revenue growth, profitability, and operational efficiency across all customers in the EU region for our Company. He is also involved in shaping product strategy by identifying market opportunities, influencing roadmap priorities, and ensuring the product delivers measurable value to customers for our Company. He holds a bachelor's of technology (honours) degree in mining engineering from the Indian Institute of Technology, Kharagpur and a master's of technology degree in mining engineering from Indian Institute of Technology, Kharagpur. He joined Capillary Europe and has been associated with our Company since incorporation. Prior to joining us, he was associated with dunnhumby IT

Services India Private Limited as their analyst and UGAM Solutions Private Limited as their business analyst. In Fiscal 2025, he received a remuneration of: (i) ₹4.44 million from our Company; and (ii) ₹19.55 million from Capillary Europe, a Subsidiary of our Company.

Relationship between our Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel are related to each other.

Relationship between our Key Managerial Personnel or Senior Management Personnel and Directors

None of our Key Managerial Personnel or Senior Managerial Personnel are related to any of the Directors of our Company.

Status of Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, all our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company and/or our Subsidiaries.

As per the service agreement dated July 1, 2024, entered into between CTL (**"Service Recipient"**), Incent Digital LLC ("**Service Provider**"), James Vincent Sturm (executive of Incent Digital LLC), and CTIPL ("**Service Agreement**"), the services of James Vincent Sturm shall be employed on a contractual basis till June 30, 2025 with CTL. As per the Service Agreement, subject to the Service Provider's compliance with the Service Agreement, the Service Provider is entitled to a base consideration of ₹20.29 million per annum. Further, pursuant to the Service Agreement, James Vincent Sturm holds 51,386 vested options of CTIPL. He is also entitled to acquisition related commission based on deal sourcing.

Shareholding of Key Managerial Personnel and Senior Management Personnel

The details of shareholding of our Key Managerial Personnel and Senior Management Personnel in our Company are as below:

Sr. No.	Name of the Key Managerial Personnel and Senior Management Personnel	Number of equity shares of face value ₹ 2 each	Percentage of the pre-Offer equity share capital (%)^
1.	Aneesh Reddy Boddu	1,701,681	2.32%
2.	Anant Choubey	918,732	1.25%
3.	Gireddy Bhargavi Reddy	50	Negligible
4.	Bollam Sridhar	802,553	1.09%
5.	Lalit Sharma	405,324	0.55%
6.	Rohan Anil Mahadar	391,016	0.53%
7.	Siddhant Jain	28,747	0.04%
8.	Piyush Kumar	432,049	0.59%
9.	Ravi Jaswani	50	Negligible
10.	Sunil M Jain	27,707	0.04%

Arrangements and understanding with major shareholders, customers, suppliers, or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel or Senior Management Personnel was selected as member of senior management.

Bonus or profit-sharing plans

None of our Key Managerial Personnel or Senior Management Personnel are a party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

The Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company other than (i) as stated in "*Financial Statements – Restated Consolidated Financial Information – Note 35 – Related Party Disclosures*" and "*Interests of Directors*" on pages 403 and 333, respectively; or (ii) to the extent of the remuneration, commission, sitting fees or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business.

Certain of our Key Managerial Personnel and Senior Management Personnel hold Equity Shares and ESOPs in the Company and accordingly, may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

Our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company pursuant to which they are entitled to any benefits upon termination of their employment.

There is no conflict of interest between the suppliers/vendors of raw materials, third party service providers or lessor of the immovable properties (crucial for operations of the Company) and our Key Managerial Personnel.

Our Key Managerial Personnel and Senior Management Personnel (including through their relatives, as defined under the Companies Act, 2013), are not directly or indirectly interested in any current or proposed transaction, contract, agreement or arrangement entered into by the Company or the subsidiaries and in which the Company or the subsidiaries have a beneficial interest, and no payments have been made in respect of these contracts, agreements or arrangements or are proposed to be made.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel and Director

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management Personnel or Directors, which does not form part of their remuneration.

Changes in the Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel or Senior Management Personnel in the last three years:

Name	Date of appointment / change / cessation	Reason
Santosh Reddy Nigudagi	February 1, 2025	Appointed as vice president – sales of Capillary Malaysia
Rohan Anil Mahadar	October 1, 2024	Appointed as chief product officer
Siddhant Jain	October 1, 2024	Appointed as the chief customer officer- Asia of Capillary Dubai
Lalit Sharma	June 1, 2024	Appointment as senior vice president – Europe of CTL
Aneesh Reddy Boddu*	May 14, 2024	Appointment as chief executive officer and relieved from the position of vice-chairman
Subhro Chakraborty	April 30, 2024	Resigned as chief business officer due to personal reasons
Sunil M Jain	April 1, 2024	Appointed as the head – corporate development
Sameer Garde	March 31, 2024	Resigned as chief executive officer and whole-time director of the Company due to personal reasons
Bollam Sridhar	May 11, 2023	Appointment as and chief customer officer – North America of Capillary Brierley
Piyush Kumar	April 1, 2023	Appointed as chief technology officer
Melody Mitchem	July 21, 2023	Appointed as global head - human resource of Capillary Brierley
Sameer Garde	January 1, 2023	Appointment as group chief executive officer
Aneesh Reddy Boddu	January 1, 2023	Re-designated from whole-time director and chief executive officer to managing director and vice-chairman
Shandilya Adipudi	December 5, 2022	Resigned as chief of staff to pursue his own venture
Raghu Vishwanathan	December 5, 2022	Resigned as vice president, strategy and business operations to pursue better growth and opportunities
Anant Choubey^	September 2, 2022	Appointment as chief financial officer
Gaurav Mehta	August 30, 2022	Resigned as vice president and global head – alliances and ecosystem for better compensation packages
Ravi Jaswani	October 1, 2024	Appointment as head- finance
Ye Jun Chris	May 27, 2022	Resigned as technical director due to differing performance-related expectations

** Re-appointed as the managing director and chief executive officer of the Company with effect from November 24, 2024, pursuant to a resolution passed by our Board at their meeting held on August 27, 2024 and a resolution passed by our Shareholders' at their AGM held on September 27, 2024.*

^ *Re-appointed as the whole-time Director, chief operating officer and chief financial officer of the Company with effect from November 24, 2024 pursuant to a resolution passed by our Board at their meeting held on August 27, 2024 and a resolution passed by our Shareholders' at their AGM held on September 27, 2024.*

Payment or benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including our Key Managerial Personnel, Senior Management Personnel and Directors within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as officers of our Company.

Employees stock options

For details of the employee stock option scheme of our Company, see "*Capital Structure – Employee Stock Option Scheme*" on page 145.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Aneesh Reddy Boddu and Capillary Technologies International Pte. Ltd. ("**CTIPL**") are the Promoters of our Company.

Shareholding of our Promoters in our Company

As on the date of this Draft Red Herring Prospectus, following are the details of the shareholding of our Promoters:

S. No.	Name of the Promoter	Number of equity shares of face value ₹2 each	Percentage of equity share capital on a fully diluted basis (%)
1.	CTIPL	48,008,006 (1)(2)	65.47%
2.	Aneesh Reddy Boddu	1,701,681	2.32%
Total		**49,709,687**	**67.79%**

(1) *Excludes 24 equity shares of face value ₹2 each held by Bollam Sridhar as a nominee of CTIPL.*

(2) *The shareholding of CTIPL excludes 1,128,650 equity shares of face value ₹2 each, held by CTIPL as the registered owner, given that the beneficial ownership of such equity shares was transferred by CTIPL to Schroders Capital Private Equity Asia Mauritius IX Limited ("**Purchaser**") pursuant to the share purchase agreement dated March 10, 2025 and forms MGT-4 and MGT-5. Our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. The credit of these Equity Shares to the demat account of the Purchaser will be effected upon completion of the procedure for opening of the demat account of the Purchaser.*

CTIPL has transferred 1,128,650 equity shares of face value ₹2 each to Shroders Capital Private Equity Asia Mauritius IX Limited pursuant to the share purchase agreement dated March 10, 2025. The consideration for these Equity Shares was remitted by Shroders Capital Private Equity Asia Mauritius IX Limited on March 13, 2025. CTIPL through forms MGT-4 and MGT-5, transferred the beneficial ownership on the said Equity Shares to Shroders Capital Private Equity Asia Mauritius IX Limited and our Company filed a consolidated return in relation to transfer of such beneficial ownership in form MGT-6 with the RoC on June 5, 2025. In this regard, pursuant to the letter agreement for creation in beneficial interest in shares dated June 4, 2025, CTIPL has declared that it shall not exercise any voting rights in its capacity as the registered owner until the credit of such Equity Shares into the demat account of Shroders Capital Private Equity Asia Mauritius IX Limited.

For details, please see "*Capital Structure – Build-up of Promoters shareholding, Minimum Promoters Contribution and lock-in*" on page 133.

Details of our Promoters are as follows:

Aneesh Reddy Boddu

Aneesh Reddy Boddu, our individual Promoter, aged 40 years, is the Founder, Managing Director and Chief Executive Officer of our Company.

***Date of birth**:* October 4, 1984
***Address**:* 80 RBD Stillwaters situated at Silver County RD, Besides Harlur Lake, Bengaluru - 560 102 Karnataka, India

Permanent Account Number: AKZPB3481D

For the complete profile of Aneesh Reddy Boddu, including details with respect to his educational qualifications, professional experience, positions/ posts held in the past, other directorships, other ventures special achievements and business and financial activities, as applicable, see "*Our Management – Our Board*" on page 328

Our Company confirms that except for Aneesh Reddy Boddu's driving license (as he does not have a driving license), our Company shall submit the following documents of Aneesh Reddy Boddu to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus: (i) permanent account number; (ii) bank account numbers; (iii) passport number; and (iv) aadhar card number.

Capillary Technologies International Pte. Ltd.

Corporate Information

CTIPL was incorporated on February 13, 2012 in Singapore under the Companies Act, Chapter 50. CTIPL's unique identity number is 201203442K and the registered office is located at 160 Robinson Road, #20-03, Singapore - 068 914. CTIPL is a holding company of our Company and is engaged in the business of, amongst others, development of software and software as a service. CTIPL has not changed its activities from the date of its incorporation.

Business of CTIPL

Prior to November 2021, our Company operated only the India business of the capillary group, while our Promoter, CTIPL operated the international business of the capillary group through several wholly owned subsidiaries across various jurisdictions. For the purpose of operational convenience, reorganisation was carried to (a) consolidate the value of the entire group's business including all the subsidiaries directly or indirectly under our Company; (b) enable control over the entire group and business by our Company; and (c) consolidate financial results of the entire group under our Company. Accordingly, our Company undertook a reorganisation of the capillary group (the "**Reorganisation**"), pursuant to which our Company through its Subsidiary, CPL, (i) acquired the majority of the business and business assets of our Promoter, CTIPL pursuant to the business transfer with effect from November 1, 2021, and (ii) also acquired all of the shareholding of Capillary Dubai, Capillary Indonesia, and Capillary Shanghai, and held by our Promoter, CTIPL with effect from November 30, 2021 and all shareholding of Capillary Malaysia held by our Promoter with effect from November 22, 2021, pursuant to multiple gift deeds entered into between CTIPL and each of Capillary Dubai, Capillary Indonesia, Capillary Shanghai and Capillary Malaysia. On the completion of such Reorganisation, our Company directly operates the India business as well as the international business through our Subsidiary, CPL, and its other Subsidiaries and such Reorganisation also enables public shareholders to have benefit of the international operations of capillary group. For details, see "*– Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years*" below.

Board of Directors

CTIPL is managed by its board of directors. The board of directors of CTIPL are required to and were appointed by its shareholders. As on the date of this Draft Red Herring Prospectus, the Board of Directors of CTIPL comprises the following directors:

S. No.	Name of the Director
1.	Ramendra Kumar Pandey
2.	Sandeep Kher

Shareholding Pattern of CTIPL

The shareholding pattern of CTIPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of ordinary shares	Number of preference shares on as if converted basis	Percentage shareholding on as if converted basis (%)^	Voting Rights(1) (%)
1.	Qualcomm Asia Pacific Pte Ltd	661,000	1,578,000	5.19%	8.00%
2.	Qualcomm Incorporated	480,000	-	1.11%	
3.	Qualcomm Ventures LLC	-	53,549	0.12%	
4.	Technology Incubation and Entrepreneurship Training Society	100,000	-	0.23%	4.15%
5.	Peak XV Partners III Ltd	625,306	1,946,000	5.96%	8.00%
6.	Peak XV Partners Growth Fund II Ltd	632,000	2,973,000	8.36%	
7.	Peak XV Partners Growth Investments II	-	521,488	1.21%	

Sr. No.	Name of the shareholder	Number of ordinary shares	Number of preference shares on as if converted basis	Percentage shareholding on as if converted basis (%)^	Voting Rights[1] (%)
8.	AVP I Fund	1,442,000	7,297,805	20.27%	8.00%
9.	Pandora Holdings	542,666	9,330,401	22.90%	8.00%
10.	Neytiri Holdings	1,773,044	7,347,428	21.15%	8.00%
11.	Filter Capital India Fund I	578,923	-	1.34%	8.00%
12.	Anvaya Ventures, Inc.	-	40,125	0.09%	Nil
13.	Steffen Naumann	28,000	23,605	0.12%	2.14%
14.	Ranjan Jei Anandan	97,000	-	0.22%	4.03%
15.	Aloke Malik	93,000	-	0.22%	3.86%
16.	Anant Choubey[2]	295,000	-	0.68%	Nil[2]
17.	Vidya Tadanki and Venkat Ramana Tadanki (on behalf of the exempt trust created under the Aditya Tadanki Special Trust) [2]	50,000	-	0.12%	
18.	Vidya Tadanki and Venkat Ramana Tadanki (on behalf of the exempt trust created under the Anupama Tadanki Special Trust) [2]	50,000	-	0.12%	Nil[2]
19.	Venkat Ramana Tadanki[2]	512,582	-	1.19%	
20.	Vijay Acharya	34,000	-	0.08%	1.41%
21.	Vikas Tayal	49,000	-	0.11%	2.03%
22.	Abhay Raosaheb Deshpande	2,000	-	Negligible	0.08%
23.	Aneesh Reddy Boddu	3,248,000	-	7.53%	8.00%
24.	Mark Do Boer	27,528	-	0.06%	1.14%
25.	Kesri Singh	45,880	-	0.11%	1.91%
26.	Xto10x Technologies Pte. Ltd.	79,464	-	0.18%	3.30%
27.	William Leon Jansen	82,584	-	0.19%	3.43%
28.	Ajay Gupta, Trustee representing Anshu Gupta Exempt Children's Trust	134,577	-	0.31%	5.60%
29.	Harold Brierley	269,156	-	0.62%	8.00%
30.	Premila Puthanveetil Radhakrishnan	28,132	-	0.07%	1.17%
31.	Vinayak Ramachandra Hegde	28,132	-	0.07%	1.17%
32.	Madan Nagaldinne	14,067	-	0.03%	0.58%
	Total	**12,003,041**	**31,111,401**	**100.00%**	**100.00%**

^ *Excludes ESOPs.*

[1] *In accordance with the constitution of CTIPL, at no point (pre or post listing of Equity Shares of our Company) will any (i) shareholder or (ii) a group of shareholders of CTIPL acting in concert with each other ("**CTIPL Shareholder Group**"), be entitled to exercise voting rights in excess of 8.00%. Further, CTIPL shall have a minimum of 13 (thirteen) shareholders or CTIPL Shareholder Group with voting rights, at all times.*

[2] *In accordance with the Constitution of CTIPL, except for our Founder, Aneesh Reddy Boddu, no shareholder of CTIPL: (i) who is a director of CTIPL or director of a company in which CTIPL owns more than 10% of the share capital; or (ii) who is controlled by such a director referred to in point (i) above, shall be entitled to exercise any votes on the shares they hold in CTIPL.*

The details of warrant holders of CTIPL as on date of this Draft Red Herring Prospectus, is as follows:

Sr. No.	Name of the warrant holder	Number of warrants
1.	OptumHealth Care Solutions, LLC	3,213,484
2.	Innoven Capital Singapore Pte. Ltd.	76,000
3.	SFTrust Holdings, LLC	20,565

Note: Each warrant is convertible into 1 ordinary share of CTIPL

Promoter of CTIPL

CTIPL does not have any promoter and is managed by its board of directors. Further, there are no natural persons in control who hold 15% or more voting rights in CTIPL.

Our Company confirms that the permanent account number, bank account number(s) and company registration number of CTIPL and the address of the registrar of companies where CTIPL is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Details of change in control of CTIPL

As disclosed above, CTIPL does not have any promoter and is not controlled by any shareholder. Thus, there has been no change in the control of CTIPL in the last three years preceding the date of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in management or control of our Company in the last five years. Pursuant to its resolution dated June 10, 2025, our Board identified CTIPL and Aneesh Reddy Boddu as the Promoters of our Company.

For details in relation to acquisition of shareholding in our Company by CTIPL and Aneesh Reddy Boddu, see "*Capital Structure - Build-up of Promoter's shareholding, Minimum Promoter's Contribution and lock-in*" on page 133.

Other ventures of our Promoters

Other than as disclosed in "*– Promoter Group*" below and in "*Our Management – Our Board*" on page 328, our Promoters are not involved in any other ventures.

Interests of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their shareholding in our Company; (iii) the dividends payable thereon; and (iv) any other distributions in respect of their shareholding in our Company. Our individual Promoter, Aneesh Reddy Boddu, is also the Managing Director and Chief Executive Officer of our Company and thus he may be deemed to be interested in the remuneration payable to him and the reimbursement of expenses incurred by him in his capacity as a Director. He is also a shareholder of our Promoter, CTIPL. For further details, see *"Capital Structure – Build-up of the shareholding of our Promoters in our Company"* beginning on page 133 and "*Our Management*" on page 328. For further details of transactions of our Promoters with our Company, see *"Summary of the Offer Document – Summary of Related Party Transactions*" on page 33.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters, or (iii) in which they hold directorships or any partnership firm in which they are partners. For further details of interest of our Promoters in our Company, see "*Restated Consolidated Financial Information – Note 35 – Related Party Disclosures*" on page 403.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce it to become or to qualify it, as a director or Promoters or otherwise for services rendered by such Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

There is no conflict of interest between the third party service providers, suppliers/vendors of raw materials or lessor of the immovable properties (crucial for operations of the Company) and our Promoters and members of the Promoter Group.

Interest in property, land, construction of building and supply of machinery

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in "*Summary of the Offer Document – Related Party Transactions*" and "*Restated Consolidated Financial Information – Note 35 – Related Party Disclosures*" on pages 33 and 403, respectively, no amount or benefit has been paid or given by our Company to our Promoters or any of the members of the Promoter Group during the three years preceding the date of this Draft Red Herring

Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our individual Promoter has disassociated in the last three years

Our individual Promoter, Aneesh Reddy Boddu has not been disassociated with any company or firm in the last three years as on the date of this Draft Red Herring Prospectus.

Material guarantees

Our Promoters have not given any guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Other confirmations

Our Promoters are not wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations.

Our Promoters are not fugitive economic offenders.

Our Promoters and members of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI, or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not, and have not been in the past, a promoter or a director of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our individual Promoter, Aneesh Reddy Boddu and members of the Promoter Group do not appear in the list of directors of struck-off companies by registrar of companies/MCA.

PROMOTER GROUP

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The 10 natural persons who are part of the Promoter Group, other than our Promoter, are as follows:

Sr. No.	Name of Promoter	Name of the member of the Promoter Group	Relationship with the Promoter
1.	Aneesh Reddy Boddu	Amireddy Sneha Reddy	Spouse
		Mohan Boddu Reddy	Father
		Boddu Aruna Reddy	Mother
		Edula Dhruv Reddy	Son
		Edula Nakshtra Reddy	Daughter
		Aditya Reddy Boddu	Brother
		Boddu Prarthna Reddy	Sister
		Pavani Pulla Reddy	Sister
		Amireddy Jaipal Reddy	Spouse’s father
		Amireddy Rama Reddy	Spouse’s mother

Entities forming part of the Promoter Group

As of the date of this Draft Red Herring Prospectus, the companies, bodies corporates, firms, and HUFs forming part of our Promoter Group are as follows:

Sr. No.	Name of entity
1.	Reasoning Global Eapplications Private Limited
2.	Pandora Holdings
3.	Neytiri Holdings
4.	AVP I Fund
5.	MS Biotech Private Limited
6.	MS Industries & Spirits Private Limited
7.	Gowthami Agro Industries Private Limited
8.	M&S Bottling Company Private Limited
9.	Cyber Garden Hotels & Resorts Private Limited
10.	Preston Developers LLP

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013, SEBI Listing Regulations, each as amended.

The dividend distribution policy of our Company was approved and adopted by our Board on November 26, 2021 ("**Dividend Policy**").

The dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to: (i) internal factors such as profitable growth of our Company, cash flow position, funds required for business diversification or expansion plans, mergers and acquisitions, working capital requirements, liquidity and return ratios, any share buy back plans, minimum cash required for contingencies or unforeseen events, funds required to service outstanding loans, statutory obligations, investment towards execution of Company's strategy and any other factor affecting the financials of the Company; and (ii) external factors such as economic environment, governmental policies, cost of funds/ financial costs in market and taxation and other regulatory concerns.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under the loan or financing documents, our Company is currently availing or may enter into finance our fund requirements for our business activities from time to time. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.

Our Company has not declared any dividend on the Equity Shares of our Company in the last three Fiscals and the period from March 31, 2025 until the date of this Draft Red Herring Prospectus.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details of risks in relation to our capability to pay dividend, see "*Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 83.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Examination report of the Statutory Auditors on the Restated Consolidated Financial Information	361
2.	Restated Consolidated Financial Information	367

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Walker Chandiok & Co LLP
5th Floor, No.65/2, Block “A”,
Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
Bengaluru
560093

T +91 80 4243 0700
F +91 80 4126 1228

INDEPENDENT AUDITOR’S EXAMINATION REPORT ON THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Capillary Technologies India Limited,
#360 bearing PID No 101, 360,
15th Cross Rd, Sector 4,
HSR Layout, Bengaluru,
Karnataka 560 102

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Capillary Technologies India Limited** (the “Company”, the “Holding Company”) and its subsidiaries (the Company and its subsidiaries together referred to as the “**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2025, 31 March 2024 and 31 March 2023, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended 31 March 2025, 31 March 2024, and 31 March 2023, the Summary Statement of Material Accounting Policies, and other explanatory information (collectively, the “**Restated Consolidated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on 7 May 2025 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) and prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

2. The Company’s Board of Directors are responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (Collectively the “Stock Exchanges”) in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 02 April 2025 in connection with the proposed IPO of equity shares of the Company;

b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

Audited Consolidated Ind AS financial statements of the Group as at and for the years ended 31 March 2025, 31 March 2024, and 31 March 2023 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 30 April 2025, 14 June 2024 and 06 September 2023, respectively.

5. For the purpose of our examination, we have relied on the Auditors' reports issued by us dated 30 April 2025, 14 June 2024 and 06 September 2023 on the audited consolidated financial statements of the Group as at and for the year ended 31 March 2025, 31 March 2024 and 31 March 2023, respectively, as referred in Paragraph 4 above.

6. As indicated in our audit reports referred in paragraph 5 above:

a) we did not audit financial statements of the subsidiaries mentioned below for the year ended 31 March 2025, 31 March 2024 and 31 March 2023, whose share of total assets, total revenues and net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors as mentioned in **Annexure A**, and whose reports have been furnished to us by the 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 components, is based solely on the reports of the other auditors:

(₹ in million)

Particulars	**As at/for the year ended 31 March 2025**	**As at/for the year ended 31 March 2024**	**As at/for the year ended 31 March 2023**
No. of Subsidiaries (number)	2	2	3
Total assets	25.45	37.95	84.01
Total revenues	93.79	118.50	203.34
Net cash inflow/ (outflows)	2.35	(1.24)	(37.43)

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 reports on other legal and regulatory requirements, 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. Refer **Part B of Annexure VII** to the Restated Consolidated Financial Information for remarks or observations in the audit reports issued by other auditors.

b) we did not audit the financial information of the subsidiary mentioned below for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 as indicated in **Annexure B** whose share of total assets, net assets, total revenues and net cash outflows included in the Consolidated Financial Statements, for the relevant year is tabulated below, which are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited Financial Information. In our opinion and according to 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, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management of the Holding Company.

(₹ in million)

Particulars	**As at/for the year ended 31 March 2025**	**As at/for the year ended 31 March 2024**	**As at/for the year ended 31 March 2023**
No. of Subsidiaries (number)	1	1	1
Total assets	0.47	1.15	0.05
Net assets	0.43	1.15	0.02
Total revenues	Nil	Nil	Nil
Net cash outflows	(0.68)	(3.17)	Nil

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2024 and 31 March 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the financial year ended 31 March 2025;

b) does not contain any qualification requiring adjustments. However, those observations in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) which do not require any corrective adjustments in the Restated Consolidated Financial Information have been mentioned in **Part B of Annexure VII** to the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership Number: 210122
UDIN: 25210122BMONCG1238

Bengaluru
7 May 2025

Annexures to the Independent Auditor's Examination Report on the Restated Consolidated Financial Information

Annexure A: Details of subsidiaries audited by other auditors

Sr. No	Name of the Entity	Nature of relationship to the Company	Name of Auditor		
			31 March 2025	**31 March 2024**	**31 March 2023**
1.	Capillary Technologies (Malaysia) Sdn Bhd	Step down subsidiary	NK Associates	NK Associates	NK Associates
2.	PT Capillary Technologies Indonesia	Step down subsidiary	KAP Tanuwijaya	KAP Tanuwijaya	KAP Tanuwijaya
3.	Capillary Technologies (Shanghai) Co Ltd	Step down subsidiary	Unaudited (refer Annexure B)	Unaudited (refer Annexure B)	Shanghai Perfect CPA Partnership

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Annexure B: List of the subsidiaries whose financial information as of and for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 are neither audited by us nor by other auditors:

Year ended	Name of the subsidiaries	Nature of relationship to the Company
31 March 2025	Capillary Technologies (Shanghai) Co Ltd	Step down subsidiary
31 March 2024	Capillary Technologies (Shanghai) Co Ltd	Step down subsidiary
31 March 2023	Persuade Holdings Inc	Step down subsidiary

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Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited)
CIN Number - U72200KA2012PLC063060
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	Note	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	34.27	31.21	22.56
(b) Goodwill	5	1,884.98	1,838.44	1,652.92
(c) Other Intangible assets	5	1,030.39	1,111.88	543.87
(d) Right-of-use assets	4	59.84	30.13	18.07
(e) Intangible assets under development	5	-	31.10	54.97
(f) Financial assets				
(i) Other financial assets	6	256.09	144.79	115.69
(g) Deferred tax assets (net)	21A	5.62	6.83	-
(h) Other tax assets	7	79.88	43.06	50.53
(i) Other non-current assets	12	853.25	821.55	707.26
Total non-current assets		**4,204.32**	**4,058.99**	**3,165.87**
Current assets				
(a) Financial assets				
(i) Investments	8	-	699.25	-
(ii) Trade receivables	9	1,611.21	1,456.51	801.11
(iii) Cash and cash equivalents	10	2,140.71	1,806.68	462.00
(iv) Loans	11	-	399.99	-
(v) Other financial assets	6	33.93	27.70	159.07
(b) Other current assets	12	396.37	261.56	76.08
Total current assets		**4,182.22**	**4,651.69**	**1,498.26**
Total assets		**8,386.54**	**8,710.68**	**4,664.13**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	146.65	146.46	105.79
(b) Other equity	14	5,535.82	5,243.06	1,759.90
Total equity		**5,682.47**	**5,389.52**	**1,865.69**
Liabilities				
Non-current Liabilities				
(a) Financial liabilities				
(i) Borrowings	15	12.82	41.69	432.06
(ii) Lease liabilities	16	32.54	8.01	2.10
(iii) Other financial liabilities	17	-	18.53	18.53
(b) Provisions	18	80.71	66.11	43.24
(c) Deferred tax liabilities (net)	21B	71.04	94.99	61.90
Total Non-current Liabilities		**197.11**	**229.33**	**557.83**
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	15	988.12	729.97	1,042.65
(ii) Lease liabilities	16	30.78	23.42	17.94
(iii) Trade payables				
(a) total outstanding dues of micro enterprises and small	20	13.23	73.95	28.77
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	492.52	654.31	559.80
(iv) Other financial liabilities	17	145.39	204.83	130.26
(b) Other current liabilities	22	810.98	1,362.02	428.21
(c) Provisions	18	18.21	19.33	31.95
(d) Current tax liabilities (net)	19	7.73	24.00	1.03
Total current liabilities		**2,506.96**	**3,091.83**	**2,240.61**
Total liabilities		**2,704.07**	**3,321.16**	**2,798.44**
Total equity and liabilities		**8,386.54**	**8,710.68**	**4,664.13**

The above Annexure should be read with the basis of preparation and Material Accounting Policies appearing in Annexure V, notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Restated Adjustments to the Consolidated Financial Statements appearing in Annexure VII.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Aasheesh Arjun Singh
Partner

Membership No: 210122

Place: Bengaluru, India
Date: May 7, 2025

For and on behalf of the Board of Directors of
Capillary Technologies India Limited
CIN :U72200KA2012PLC063060

Aneesh Reddy Boddu
Managing Director and CEO
DIN: 02214511
Place: Bengaluru, India
Date: May 7, 2025

Anant Choubey
Executive Director, COO & CFO
DIN: 06536413
Place: Bengaluru, India
Date: May 7, 2025

G. Bhargavi Reddy
Company Secretary
Membership Number - A17091
Place: Bengaluru, India
Date: May 7, 2025

Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited)
CIN Number - U72200KA2012PLC063060
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

		Note	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
	Income				
I	Revenue from operations	23			
	- Retainership and other services		4,811.05	4,021.29	1,564.31
	- Installation revenue		1,100.31	746.69	419.56
	- Revenue from campaign services on a principal basis (refer note 23 (a))		-	483.02	569.85
	- Revenue from campaign services on an agent basis (refer note 23 (a))		71.23	-	-
II	Other income	24	136.10	103.40	108.81
III	**Total income (I+II)**		**6,118.69**	**5,354.40**	**2,662.53**
IV	**Expenses**				
	Cost of campaign services (refer note 23 (a))		-	417.03	482.86
	Professional and consultancy expenses		994.93	873.15	311.65
	Software and server charges		921.85	935.84	298.71
	Employee benefits expense	25	2,955.20	2,719.43	1,884.10
	Other expenses	28	460.98	423.86	268.60
	Total expenses (IV)		**5,332.96**	**5,369.31**	**3,245.92**
V	**Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (EBITDA)**		**785.73**	**(14.91)**	**(583.39)**
VI	Finance costs	26	77.88	177.08	112.39
VII	Depreciation and amortisation expenses	27	601.03	560.61	366.93
			678.91	**737.69**	**479.32**
VIII	**Restated profit/ (loss) before exceptional items and tax from continuing operations (V-VI-VII)**		**106.82**	**(752.60)**	**(1,062.71)**
IX	**Exceptional items**	41	**-**	**-**	113.82
X	**Restated profit/ (loss) before tax ((VIII-IX)**		**106.82**	**(752.60)**	**(948.89)**
XI	**Tax expenses/ (credit)**				
	(a) Current tax	29	(12.90)	1.93	(17.26)
	(b) Deferred tax credit	29	(21.82)	(71.02)	(46.07)
	Total tax credit		**(34.72)**	**(69.09)**	**(63.33)**
XII	**Restated profit/ (loss) for the year from continuing operations (X-XI)**		**141.54**	**(683.51)**	**(885.56)**
XIII	**Restated (loss)/ profit before tax from discontinued operations**	42	(8.54)	113.58	21.62
XIV	**Tax expense of discontinued operations**	42	0.20	23.85	13.25
XV	**Restated (loss) / profit from discontinued operations after tax (XIII-XIV)**		**(8.74)**	**89.73**	**8.37**
XVI	**Restated profit/ (loss) for the year (XII+XV)**		**132.80**	**(593.78)**	**(877.19)**
XVII	**Restated Other comprehensive income**				
	Items that will be reclassified to profit or loss:				
	(i) Exchange differences on translating financial statements of foreign operations		72.74	63.88	73.99
	Items that will not to be reclassified to profit or loss:				
	(i) Re-measurement losses on defined benefit plan		(4.24)	(4.06)	(4.92)
	Other comprehensive income for the year, net of tax		**68.50**	**59.82**	**69.07**
XVIII	**Restated total comprehensive income / (loss) for the year (XVI+ XVII)**		**201.30**	**(533.96)**	**(808.12)**
XIX	**Restated earnings/ (loss) per share (EPS)**	30			
	Restated EPS from continuing operations (face value - ₹ 2 each)				
	Basic (in ₹ per share)		1.93	(12.15)	(17.63)
	Diluted (in ₹ per share)		1.91	(12.15)	(17.63)
	Restated EPS from discontinued operations (face value - ₹ 2 each)				
	Basic (in ₹ per share)		(0.12)	1.59	0.17
	Diluted (in ₹ per share)		(0.12)	1.57	0.17
	Restated EPS from continuing and discontinued operations (face value - ₹ 2 each)				
	Basic (in ₹ per share)		1.81	(10.55)	(17.46)
	Diluted (in ₹ per share)		1.79	(10.55)	(17.46)

The above Annexure should be read with the basis of preparation and Material Accounting Policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Restated Adjustments to the Audited Consolidated Financial Statements appearing in Annexure VII.

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 :U72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122
Place: Bengaluru, India
Date: May 7, 2025

Aneesh Reddy Boddu
Managing Director and CEO
DIN: 02214511
Place: Bengaluru, India
Date: May 7, 2025

Anant Choubey
Executive Director, COO & CFO
DIN: 06536413
Place: Bengaluru, India
Date: May 7, 2025

G. Bhargavi Reddy
Company Secretary
Membership Number - A17091
Place: Bengaluru, India
Date: May 7, 2025

Annexure III - Restated Consolidated Statement of Changes in Equity

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)
Equity shares outstanding at the beginning of the year	**73.23**	**146.46**	**52.89**	**105.79**	**50.01**	**100.03**
Issuance of share capital (refer note 13(a)[1])	0.09	0.19	2.76	5.51	2.66	5.33
Issue of rights shares (refer note 13(a)[2])	-	-	11.05	22.10	-	-
Conversion of External Commercial Borrowings (ECBs) into fully paid equity shares (refer note 13(a)[3])	-	-	0.44	0.87	-	-
Conversion of convertible instruments (refer note 13(a)[4])	-	-	5.52	11.05	-	-
Exercise of share based payments (refer note 13(a)[5])	-	-	0.57	1.14	-	-
Issue of bonus shares (refer note 13(a)[6])	-	-	-	-	0.22	0.43
Equity shares outstanding at the end of the year	**73.32**	**146.65**	**73.23**	**146.46**	**52.89**	**105.79**

B. Other equity

Particulars	Attributable to the equity shareholders - Other equity						
	Reserves and surplus					Other Comprehensive income	Total
	Retained earnings	Capital contribution from Ultimate Holding Company	Securities premium	Share based payment reserve	Capital reserve	Foreign currency translation reserve	Total other equity
As at April 1, 2022	**(3,684.59)**	**1,814.34**	**1,759.02**	**259.17**	**868.23**	**45.22**	**1,061.39**
Opening translation adjustment	-	-	-	-	-	66.11	**66.11**
Loss for the year	(877.19)	-	-	-	-	-	**(877.19)**
Other comprehensive (loss)/ income for the year (net of taxes)*	(4.92)	-	-	-	-	73.99	**69.07**
Total comprehensive (loss)/ income for the year	**(882.11)**	**-**	**-**	**-**	**-**	**73.99**	**(808.12)**
Contributions and distributions							
Issuance of share capital (refer note 13(a)[1])	-	-	815.27	-	-	-	**815.27**
Issue of bonus shares (refer note 13(a)[6])	-	-	(0.43)	-	-	-	**(0.43)**
Share based payment expenses (refer notes 25 and 32)	-	(7.31)	-	637.28	-	-	**629.97**
Corporate guarantee (refer note 35)	-	3.63	-	-	-	-	**3.63**
Surrender of employee stock options and re-purchase, net (refer note 25 and 32)	-	-	-	(7.92)	-	-	**(7.92)**
Total contributions and distributions	**-**	**(3.68)**	**814.84**	**629.36**	**-**	**-**	**1,440.52**
As at March 31, 2023	**(4,566.70)**	**1,810.66**	**2,573.86**	**888.53**	**868.23**	**185.32**	**1,759.90**
Loss for the year	(593.78)	-	-	-	-	-	(593.78)
Other comprehensive (loss)/ income for the year (net of taxes)*	(4.06)	-	-	-	-	63.88	59.82
Total comprehensive (loss)/ income for the year	**(597.84)**	**-**	**-**	**-**	**-**	**63.88**	**(533.96)**
Contributions and distributions							
Issuance of share capital (refer note 13(a)[1])	-	-	844.49	-	-	-	844.49
Issue of rights shares (refer note 13(a)[2])	-	-	464.19	-	-	-	464.19
Conversion of ECBs into fully paid equity shares (refer note 13(a)[3])	-	-	133.13	-	-	-	133.13
Conversion of convertible instruments (refer note 13(a)[4])	-	-	1,690.45	-	-	-	1,690.45
Exercise of share based payments (refer note 13(a)5)	-	-	174.63	(174.63)	-	-	-
Warrants issued on behalf of the Group	-	926.15	-	-	-	-	926.15
Share based payment expenses (refer notes 25 and 32)	-	-	-	79.08	-	-	79.08
Surrender of employee stock options and re-purchase, net (refer note 25 and 32)	-	-	-	(120.37)	-	-	(120.37)
Total contributions and distributions	-	**926.15**	**3,306.89**	**(215.92)**	**-**	**-**	**4,017.12**
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	(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 13(a)[1])	-	-	49.73	-	-	-	49.73
Share based payment expenses (refer notes 25 and 32)	-	-	-	89.98	-	-	89.98
Surrender of employee stock options and re-purchase, net (refer note 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**

*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.

The above Annexure should be read with the basis of preparation and Material Accounting Policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Restated Adjustments to the Audited Consolidated Financial Statements appearing in Annexure VII.

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 :U72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122

Place: Bengaluru, India
Date: May 7, 2025

Aneesh Reddy Boddu
Managing Director and CEO
DIN: 02214511

Place: Bengaluru, India
Date: May 7, 2025

Anant Choubey
Executive Director, COO & CFO
DIN: 06536413

Place: Bengaluru, India
Date: May 7, 2025

G. Bhargavi Reddy
Company Secretary
Membership Number - A17091

Place: Bengaluru, India
Date: May 7, 2025

Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited)
CIN Number - U72200KA2012PLC063060
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities			
Restated profit/ (loss) for the year from continuing operations before exceptional items and tax	**106.82**	**(752.60)**	**(1,062.71)**
Restated profit/ (loss) for the year from discontinued operations before tax	**(8.54)**	**113.58**	**21.62**
Adjustments to reconcile loss before tax to net cash flows			
Depreciation and amortisation expenses	621.98	582.20	395.68
Loss allowances under expected credit loss model (refer note 28)	78.42	41.21	19.19
Share based payments (refer note 25)	80.94	68.84	600.61
Profit on sale of investments (refer note 24)	(76.53)	(17.55)	-
Fair value change in financials assets measured at fair value through statement of profit and loss	-	(9.59)	-
Interest income on income tax refund	(2.05)	(2.58)	(9.71)
Property, plant and equipment written off (refer note 28)	0.81	2.31	-
Profit on sale of Property, plant and equipment (refer note 24)	(0.62)	(0.51)	(0.06)
Interest income on corporate deposit	(25.18)	(6.50)	-
Provision / liabilities no longer required, written back (refer note 24)	(0.18)	(26.07)	(38.22)
Unrealised exchange loss/ (gain) on foreign currency transactions (net)	9.76	(19.23)	48.80
Interest income on bank deposits and security deposit	(13.92)	(12.99)	(5.54)
Finance costs	68.53	168.30	102.98
Operating profit before working capital changes	**840.24**	**128.82**	**72.64**
Working capital adjustments :			
(Increase)/ Decrease in trade receivables	(242.89)	564.87	(289.29)
(Increase)/Decrease in other financial assets and other assets (current and non-current)	(178.91)	(705.71)	(16.28)
(Decrease)/ Increase in trade payable	(222.33)	139.69	(37.16)
Increase/ (Decrease) in provision	9.24	6.19	(10.15)
(Decrease)/Increase in non-current and current other financial & other liabilities	(629.01)	830.29	58.00
Cash (used in) / generated from operations	**(423.66)**	**964.15**	**(222.24)**
Direct taxes (paid) /refund, net	(38.33)	7.20	21.66
Net cash (used in)/ generated from operating activities (A)	**(461.99)**	**971.35**	**(200.58)**
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and intangible assets under development	(474.58)	(369.32)	(282.00)
Proceeds from sale of property, plant and equipment	0.62	2.31	-
Sale/ (purchase) of current investment, net	775.78	(672.11)	-
Corporate deposits placed	(400.00)	(399.99)	-
Proceeds from redemption of corporate deposits	799.99	-	-
Interest income on bank deposits	13.92	10.14	2.06
Interest income on corporate deposits	25.18	0.64	-
(Redemption of) / investment in bank deposits , net	(105.13)	(29.10)	40.34
Payment for acquisition of subsidiary	-	(387.82)	-
Advance towards acquisition of a subsidiary	-	-	(696.59)
Net cash generated from / (used in) investing activities (B)	**635.78**	**(1,845.25)**	**(936.19)**
C. Cash flow from financing activities			
Proceeds from issue of share capital, (including security premium)	49.92	1,337.43	820.60
Proceeds from issue of Non Convertible Debentures (NCDs)	-	50.00	544.00
Repayment of Non Convertible Debentures (NCDs)	(352.48)	(237.89)	-
Proceeds from issue of Compulsory Convertible Debentures (CCDs)	-	1,701.50	-
Repayment of long-term borrowings	-	(366.82)	(258.02)
Repayment of principal and interest portion of lease liabilities (refer note-33)	(33.04)	(24.23)	(26.68)
Proceeds from short-term borrowings (net)	581.06	4.90	369.16
Finance costs paid	(64.62)	(166.91)	(75.42)
Surrender of employee stock options and re-purchase, net	(48.25)	(120.37)	(7.92)
Net cash generated from financing activities (C)	**132.59**	**2,177.61**	**1,365.72**
Net increase in cash and cash equivalents (A+B+C)	**306.38**	**1,303.71**	**228.95**
Cash and cash equivalents at the beginning of the year	1,806.68	462.00	291.94
Effect of exchange differences on cash and cash equivalents held in foreign currency	27.65	40.97	(58.89)
Cash and cash equivalents at the end of the year	**2,140.71**	**1,806.68**	**462.00**
Components of cash and cash equivalents			
Balances with banks			
- On current accounts	**2,140.71**	**1,806.68**	**462.00**
Total cash and cash equivalents (refer note 10)	**2,140.71**	**1,806.68**	**462.00**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	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

	As at April 1, 2023	Cashflows	Non-cash movement	As at March 31, 2024
Non-current borrowings (including current maturities)	810.93	1,096.79	(1,541.34)	366.38
Current borrowings (excluding current maturities)	663.78	4.90	(263.40)	405.28

	As at April 1, 2022	Cashflows	Non-cash movement	As at March 31, 2023
Non-current borrowings (including current maturities)	496.97	285.98	27.98	810.93
Current borrowings (excluding current maturities)	292.44	369.16	2.18	663.78

The above Annexure should be read with the basis of preparation and Material Accounting Policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Restated Adjustments to the Audited Consolidated Financial Statements appearing in Annexure VII.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Aasheesh Arjun Singh
Partner

Membership No: 210122

Place: Bengaluru, India
Date: May 7, 2025

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

Aneesh Reddy Boddu	**Anant Choubey**	**G. Bhargavi Reddy**
Managing Director and CEO	*Executive Director, COO & CFO*	*Company Secretary*
DIN: 02214511	DIN: 06536413	Membership Number - A17091
Place: Bengaluru, India	Place: Bengaluru, India	Place: Bengaluru, India
Date: May 7, 2025	Date: May 7, 2025	Date: May 7, 2025

1. Corporate Information

Capillary Technologies India Limited (formerly known as Capillary Technologies India Private Limited) ("the Company" or "the Parent Company" or "the Holding Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 ('the 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, Bangalore, 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 Group comprises the following consolidated entities:

Name of the entity	Relationship	Principal place of Business and place of incorporation	% Shareholding on March 31, 2025	% Shareholding on March 31, 2024	% Shareholding on March 31, 2023
Capillary Pte. Ltd	Subsidiary	Singapore	100%	100%	100%
Capillary Technologies DMCC	Step down Subsidiary	United Arab Emirates	100%	100%	100%
Capillary Technologies Shanghai Co. Ltd	Step down Subsidiary	China	100%	100%	100%
Capillary Technologies (Malaysia) Sdn Bhd	Step down Subsidiary	Malaysia	100%	100%	100%
PT Capillary Technologies Indonesia	Step down Subsidiary	Indonesia	100%	100%	100%
Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC')	Step down Subsidiary	United States of America	100%	100%	100%
Persuade Holdings Inc (formerly known as Persuade Holdings LLC), up to June 2, 2023	Step down Subsidiary	United States of America	-	100%	100%
Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc), w.e.f. April 1, 2023	Step down Subsidiary	United States of America	100%	100%	-
Capillary Technologies Inc., w.e.f. June 1, 2023	Step down Subsidiary	United States of America	100%	100%	-
Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited), w.e.f. April 1, 2023	Step down Subsidiary	United Kingdom	100%	100%	-

2. Basis of preparation

2.1 Statement of Compliance

The Restated Consolidated Financial Information of the Group comprise the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cashflows and Restated Consolidated Statement of Changes in Equity for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the Material Accounting Policies and Other Explanatory Notes to the Restated Consolidated Financial Statements (hereinafter referred to as the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Group as a going concern on the basis of the relevant Ind AS that are effective as at and for the year ended March 31, 2025. These Restated Consolidated Financial Information has been approved by the Board of Directors and authorised for issue on May 07, 2025.

These Restated Consolidated Financial Information have been prepared by the Management of the Group in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, from time to time, issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed Initial Public Offering of equity shares of face value of ₹ 2 each of the Company comprising an Offer for Sale of equity shares held by the selling shareholders (the "Offer"). The Restated Consolidated Financial Information has been prepared by the Company in terms of the requirements of:

(i) Section 26 of Part I of Chapter III of the Act;
(ii) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by SEBI on September 11, 2018 in pursuance of the Securities and Exchange Board of India Act, 1992;
(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note") which inter-alia requires the Group to disclose the Restated Consolidated Financial Information for a period lesser than three years considering the Company was incorporated on July 28, 2021;

These Restated Consolidated Financial Information have been compiled by the Management of the Group from the audited consolidated financial statements of the Group as at and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and other accounting principles generally accepted in India.

The Restated Consolidated Financial Information have been prepared on a 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 before exceptional items (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 before exceptional items (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 and tax expenses/ (credit), net.

These Restated Consolidated financial statements are presented in ₹ and all values are rounded to the nearest millions (₹ 000,000), except when otherwise indicated.

2.2 Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees, which is the Parent Company's functional and presentation currency. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. All the amounts have been rounded off to the nearest millions, unless otherwise indicated.

2.3 Use of estimates and judgements

The preparation of the Restated Consolidated Financial Information 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 Restated Consolidated Financial Information and reported 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 Restated Consolidated Financial Information in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

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.

a. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Restated Consolidated Statement of Assets and Liabilities 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.

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 9.1.

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 '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. 27.70% 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 5).

i. Capitalisation of internally generated assets

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 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 05 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.
Restated Consolidated Statement of Cash Flows presented includes cash flows from both continuing and discontinued operations; amounts related to discontinued operations are disclosed in Note 42.

2.4 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities into current and non-current. Accordingly, current assets do not include elements which are not expected to be realised within 12 months and current liabilities do not include items where the Group does not have an unconditional right to defer settlement beyond a period of 12 months, the period of 12 months being reckoned from the reporting date.

The Group presents assets and liabilities in the restated 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

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.

2.5 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.

2.5 Fair value measurement (cont'd)

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 Restated Consolidated Financial Information 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 Restated 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.

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)

3. Material accounting policy information

This note provides a list of the material accounting policies adopted in the preparation of these Restated Consolidated Financial Information.

3.1. Basis of Consolidation

The Group determines the basis of control in line with the requirements of Ind AS 110 – Consolidated Financial Statements. The Restated Consolidated Financial Information comprise the financial statements of the Company and its subsidiaries as disclosed in Note 1.

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

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 Restated Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated 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 Restated 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 Restated 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.

3.1. Basis of Consolidation (cont'd)

(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 Company 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
- ► 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.

3.2 Business combinations including 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 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.

3.2 Business combinations including goodwill (cont'd)

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 it's 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.

3.3 Revenue recognition

Revenue from operations is recognised when control of the promised services are 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:

- ► Identify the contract with a customer
- ► Identify the underlying performance obligation
- ► Determining the transaction price
- ►Allocating the transaction price to the performance obligation
- ► 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 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 goods or 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 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 Ind AS 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 it 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 Restated 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 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 relate less the costs that relate directly to providing the goods and that have not been recognised as expenses. The maximum period over which the 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).

3.4. Taxes on income

Current income tax

Tax expense comprises current and deferred tax during the year. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Restated 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 Restated 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 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. Un-recognised 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.

3.4. Taxes on income (cont'd)

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.

3.5. 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 restated consolidated 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 straight-line method 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

Based on internal assessment, 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.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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 Restated Consolidated Statement of Profit and Loss when the asset is derecognised.

3.6 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 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 infinite.

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 restated 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 restated 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.

3.6 Intangible assets (cont'd)

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 are 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 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 Restated 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

3.7 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

3.8. 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'.

3.8. Leases (cont'd)

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.

3.9 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 Restated 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 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 Restated 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 Restated Consolidated Statement of Profit and Loss

3.10 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 Restated 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).

3.10 Provisions and contingent liabilities (cont'd)

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 discloses its existence in the Restated Consolidated Financial Information.

Provisions and contingent liability are reviewed at each restated consolidated 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.

3.11 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 Restated 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

The 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 Restated 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 Restated 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.

3.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Restated 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.

3.12 Financial instruments (cont'd)

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 Restated Consolidated Statement of Profit and 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 Restated Consolidated Statement of Profit and Loss.

The Group recognises impairment loss on trade receivables using life time 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.

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.

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 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 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 Restated 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 restated 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-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the restated 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 Restated Consolidated Statement of Assets and Liabilities 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.

3.13 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 Restated Consolidated Financial Information 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'.

3.13 Segment reporting (cont'd)

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".

3.14 Cash and cash equivalents

Cash and cash equivalent in the Restated Consolidated Statement of Assets and Liabilities 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.

3.15 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 Parent 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated statement of profit and loss for a year 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 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, 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.

3.16 Foreign currency translation

The Group's Restated 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., Restated 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 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 restated consolidated 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 Restated Consolidated Statement of Profit and Loss.

3.16 Foreign currency translation (cont'd)

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.

3.17 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.

3.18 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 deferred until successful consumption of IPO upon which it shall be 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 restated consolidated 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.

3.19 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 restated consolidated statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative periods.

3.20 Exceptional items

Exceptional items refer to items of income or expense within the restated 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.

3.21 Recent accounting pronouncements

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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions. The Group has reviewed the new pronouncements and based on its evaluation has determined that it is not applicable to the Group.

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

4 Property, Plant and Equipment and Right of use assets

A. Reconciliation of carrying amount

Particulars	Right of use assets	Property, Plant and Equipment				
	Buildings	Computers	Office equipments	Leasehold improvements	Furniture and fixtures	Total
Cost						
As at April 1, 2022	**40.05**	**41.89**	**0.53**	**1.14**	**0.85**	**44.41**
Additions during the year	5.45	18.72	1.04	-	-	19.76
Disposals during the year	-	(1.40)	-	-	-	(1.40)
Translation adjustments	(0.19)	0.92	0.02	0.05	0.35	1.34
Balance as at March 31, 2023	**45.31**	**60.13**	**1.59**	**1.19**	**1.20**	**64.11**
Additions during the year	38.58	18.72	1.25	-	-	19.97
Adjustment pursuant to acquisition of a subsidiary (refer note 39)	-	11.29	1.48	-	-	12.77
Disposals during the year	(35.48)	(28.81)	-	-	-	(28.81)
Modification of right-of-use assets	(4.37)	-	-	-	-	-
Translation adjustments during the year	0.21	5.37	-	0.01	(0.05)	5.33
Balance as at March 31, 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	-	0.88	0.08	-	-	0.96
Balance as at March 31, 2025	**107.41**	**93.26**	**3.31**	**1.20**	**0.38**	**98.15**
Accumulated depreciation						
Balance as at April 01, 2022	**4.21**	**17.09**	**0.36**	**1.14**	**0.38**	**18.97**
Charge for the year	21.95	23.45	0.16	-	0.12	23.73
Disposals during the year	-	(1.27)	-	-	-	(1.27)
Translation adjustments	1.08	(0.26)	0.03	0.05	0.30	0.12
Balance as at March 31, 2023	**27.24**	**39.01**	**0.55**	**1.19**	**0.80**	**41.55**
Charge for the year	22.18	25.74	1.75	-	0.11	27.60
Disposals during the year	(35.48)	(27.01)	-	-	-	(27.01)
Translation adjustments	0.18	(0.01)	0.01	0.01	0.01	0.02
Balance as at March 31, 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 during the year	-	(4.52)	(2.35)	-	(0.64)	(7.51)
Translation adjustments	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**
Carrying amounts						
As at March 31, 2023	**18.07**	**21.12**	**1.04**	**-**	**0.40**	**22.56**
As at March 31, 2024	**30.13**	**28.97**	**2.01**	**-**	**0.23**	**31.21**
As at March 31, 2025	**59.84**	**32.23**	**2.04**	**-**	**-**	**34.27**

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

5 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, 2022	**5.91**	**524.65**	**77.42**	**9.88**	**411.87**	**1,029.73**	**1,527.87**	**3.62**
Additions during the year	-	245.21	-	-	-	245.21	-	51.35
Disposals during the year	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-
Translation adjustments	(0.01)	-	6.28	-	33.71	39.98	125.05	-
Balance as at March 31, 2023	**5.90**	**769.86**	**83.70**	**9.88**	**445.58**	**1,314.92**	**1,652.92**	**54.97**
Additions during the year	0.58	324.69	-	-	-	325.27	-	17.81
Disposals during the year	-	-	-	-	-	-	-	-
Capitalised during the year	-	41.68	-	-	-	41.68	-	(41.68)
Adjustment pursuant to acquisition of a subsidiary and asset purchase agreement (refer	-	45.61	49.97	-	641.11	736.69	159.49	-
Translation adjustments	-	4.71	1.96	-	12.33	19.00	26.03	-
Balance as at March 31, 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
Disposals during the year	-	-	-	-	-	-	-	-
Capitalised during the year	-	208.69	-	-	-	208.69	-	(208.69)
Translation adjustments	-	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**	-
Accumulated amortisation								
Balance as at April 1, 2022	**3.98**	**285.14**	**15.49**	**9.88**	**79.62**	**394.11**	-	-
Charge for the year	0.86	192.14	24.67	-	132.33	350.00	-	-
Disposals	-	-	-	-	-	-	-	-
Translation adjustments	-	-	4.23	-	22.71	26.94	-	-
Balance as at March 31, 2023	**4.84**	**477.28**	**44.39**	**9.88**	**234.66**	**771.05**	-	-
Charge for the year	0.86	237.36	41.57	-	252.63	532.42	-	-
Disposals	-	-	-	-	-	-	-	-
Translation adjustments	-	(0.02)	(0.01)	-	22.24	22.21	-	-
Balance as at March 31, 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	-	-
Disposals	-	-	-	-	-	-	-	-
Translation adjustments	-	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**	-	-
Carrying amounts								
As at March 31, 2023	**1.06**	**292.58**	**39.31**	-	**210.92**	**543.87**	**1,652.92**	**54.97**
As at March 31, 2024	**0.78**	**471.93**	**49.68**	-	**589.49**	**1,111.88**	**1,838.44**	**31.10**
As at March 31, 2025	**0.57**	**606.59**	**17.23**	-	**406.00**	**1,030.39**	**1,884.98**	-

[1]The Group has only one Cash Generating Unit (CGU) to which the goodwill (with indefinite life) acquired in earlier years through acquisition of business, has been entirely allocated. The carrying amount of goodwill as at the end of the each reported period is ₹ 1,884.98 million (March 31, 2024: ₹ 1,838.44 million, March 31, 2023: ₹ 1,652.92 million) respectively. As at March 31, 2025, the goodwill amount pertains to acquisition of Capillary Technologies LLC (formerly known as Persuade Loyalty LLC), acquired w.e.f. September 1, 2021 amounting to ₹ 1,720.22 million and the balance amount of ₹ 164.76 million pertains to acquisition of Capillary Brierley Inc (formerly known as Brierley & Partners Inc., acquired w.e.f. April 1, 2023.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

5 Other Intangible assets and Intangible Assets Under Development (IAUD) (cont'd)

Following key assumptions were considered while performing impairment testing annually
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, 2025	March 31, 2024	March 31, 2023
Annual growth rate for next 5 financial year	4-10%	30-35%	30%
Terminal growth rate	4%*	4%[#]	4%^
Weighted average cost of capital % (WACC) after tax (Discount rate)	27.70%	28.00%	28.00%

[^] growth rate has been considered after the financial year 2022-23.

[#] growth rate has been considered after the financial year 2023-24.

[*] growth rate has been considered after the financial year 2024-25

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, 2025; March 31, 2024 and March 31, 2023.

The Group has conducted sensitivity analysis including sensitivity in respect of discount rate on the impairment assessment of goodwill.

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 and thereafter fixed terminal value has been considered. 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 market.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Group)

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.

** Total charge for the year includes amortisation of ₹ 20.95 million (March 31, 2024- ₹ 21.59 million; March 31, 2023- ₹ 28.75 million) related to discontinued operations. Refer note 42.

a. Internally generated intangible assets capitalised and intangible assets under development comprise of the following:

	For the year ended March 31, 2025		For the year ended March 31, 2024		For the year ended March 31, 2023	
Particulars	**Internally generated assets[1]**	**Intangible assets under development**	**Internally generated assets[1]**	**Intangible assets under development**	**Internally generated assets[1]**	**Intangible assets under development**
Salaries, wages and bonus	265.36	50.38	225.52	-	141.65	-
Share-based payments	9.04	-	10.24	-	38.82	-
Software and server charges	47.66	-	71.12	-	64.74	-
Professional and consultancy expenses	158.31	127.21	59.49	17.81	-	51.35
Total	**480.37**	**177.59**	**366.37**	**17.81**	**245.21**	**51.35**

[1] Includes ₹ 208.69 million (March 31, 2024- ₹ 41.68 million; March 31, 2023- ₹ Nil) from intangible assets under development.

b. Intangible assets under development (IAUD) ageing schedule

(i) As at March 31, 2025
Not applicable

(ii) As at March 31, 2024

	Amount in IAUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	17.81	13.29	-	-	31.10
	17.81	**13.29**	**-**	**-**	**31.10**

(iii) As at March 31, 2023

	Amount in IAUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	51.35	1.61	0.79	1.22	54.97
	51.35	**1.61**	**0.79**	**1.22**	**54.97**

There are no projects on each reporting period where activity has been suspended considering the nature of Intangible asset under development, there are no projects as on the reporting periods which has exceeded cost as compared to the original plan or where completion is overdue.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

6 Financial assets

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Unsecured considered good unless otherwise stated			
Non-current			
At amortised cost			
Bank deposits with remaining maturity greater than 12 months[1]	224.22	121.16	115.69
Security deposits	31.87	23.63	-
Total	**256.09**	**144.79**	**115.69**
Current			
At amortised cost			
Security deposits	12.43	11.93	8.76
Other receivables from related parties (refer note 35)[2]	12.40	2.81	145.88
Advances to employees	2.79	0.48	0.31
Interest accrued on deposits	6.31	12.48	4.12
	33.93	**27.70**	**159.07**
	290.02	**172.49**	**274.76**

[1]Represents bank deposits under lien against short term borrowings bearing interest rate ranging from 7.40% to 7.50% (March 31, 2024 - 6.50% to 7.25%, March 31, 2023 - 6.50% to 7.25%)

[2]Other receivables from related parties are non-interest bearing and are generally on terms of up to 90 days. Other receivables from related parties include Nil (March 31, 2024: ₹ Nil; March 31, 2023: ₹128.23 million) due from the Ultimate Holding Company which are secured against the External Commercial Borrowings of Nil (March 31, 2024: ₹ Nil; March 31, 2023: ₹179.22 million) payable to the Ultimate Holding Company. These amounts will be settled on the completion of certain events and are therefore currently not due. The management has recovered the amount from the Ultimate Holding Company.

7 Other tax assets

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Advance income tax	79.88	43.06	50.53
Total	**79.88**	**43.06**	**50.53**

8 Investments

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
Investments in mutual funds						
Unquoted	**No. of units**	**Value**	**No. of units**	**Value**	**No. of units**	**Value**
At fair value through profit and loss (FVTPL)						
ABSL Money Manager Fund - Direct Plan - Growth	-	-	2,75,032	93.73	-	-
Kotak Money Market Scheme - Direct Plan - Growth	-	-	49,276	203.14	-	-
UTI Money Market Fund - Direct Plan - Growth	-	-	72,549	205.72	-	-
Kotak Liquid Fund - Direct Plan - Growth	-	-	11,110	54.21	-	-
DSP Liquidity Fund - Direct Plan - Growth	-	-	41,274	142.45	-	-
		-		**699.25**		**-**
Aggregate book value of unquoted investments		**-**		**699.25**		**-**
Aggregate market value of unquoted investments		**-**		**699.25**		-

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

9 Trade receivables

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
At amortised cost			
Trade receivables - considered good - Unsecured[1,2,3,4]	1,611.21	1,456.51	801.11
Trade receivables - credit impaired - Unsecured [1,2,3,4] (refer note 9.1)	128.28	53.33	10.53
	1,739.49	**1,509.84**	**811.64**
Impairment allowance (allowance for bad and doubtful debts)			
Less: Loss allowances (refer note 9.1)	(128.28)	(53.33)	(10.53)
Total trade receivables	**1,611.21**	**1,456.51**	**801.11**
-Pertaining to related parties	-	-	-
-Others[1,2,3,4]	1,611.21	1,456.51	801.11
Total trade receivables	**1,611.21**	**1,456.51**	**801.11**

[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 up to 90 days.

[3]There are no disputed trade receivables as on March 31, 2025, March 31, 2024 and March 31, 2023.

[4]Trade receivables includes unbilled revenue amounting to ₹ 274.51 million (March 31, 2024 - ₹ 332.00 million; March 31, 2023 - ₹ 124.44 million). Refer 9.1 below

9.1 Expected credit loss allowance

Movement in expected credit loss allowance under simplified approach are provided in the table below:

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	53.33	10.53	30.43
Provision made during the year	78.42	41.21	19.19
Utilised during the year	(4.77)	(1.69)	(30.55)
Translation adjustment	1.30	3.28	(8.54)
At the end of the year	**128.28**	**53.33**	**10.53**

Trade receivables ageing schedule

As at March 31, 2025

	Outstanding for following periods from due date of payment							
	Unbilled*	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 -2 years**	**2 - 3 years**	**More than 3 years**	**Total**
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**

As at March 31, 2024

	Outstanding for following periods from due date of payment							
	Unbilled*	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 -2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed trade receivables								
- considered good	332.00	641.34	422.09	43.85	17.01	0.22	-	1,456.51
- credit impaired	-	-	46.50	6.17	0.61	0.05	-	53.33
Total	**332.00**	**641.34**	**468.59**	**50.02**	**17.62**	**0.27**	**-**	**1,509.84**

As at March 31, 2023

	Outstanding for following periods from due date of payment							
	Unbilled*	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 -2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed trade receivables								
- considered good	124.44	513.00	159.12	3.30	1.25	-	-	801.11
- credit impaired	-	4.52	2.20	2.86	0.95	-	-	10.53
Total	**124.44**	**517.52**	**161.32**	**6.16**	**2.20**	**-**	**-**	**811.64**

* Unbilled revenue consists of contract assets, that primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional and is current but not due.

10 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
-Balance with banks[1]	2,140.71	1,806.68	462.00
Total	**2,140.71**	**1,806.68**	**462.00**

[1] Balances with banks include restricted bank balances of ₹ 128.18 million (March 31, 2024: Nil ; March 31, 2023: Nil). The restrictions are primarily on account of bank balances held as lien against loan taken by the Group.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

11 Loans

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
At amortised cost			
Unsecured, considered good			
Corporate deposits*	-	399.99	-
	-	**399.99**	**-**

***Details of corporate deposits placed during the year ended March 31, 2025[1]**

Name of borrower	Nature of relationship	Type of deposit	Rate of interest	Term
Bajaj Finance Limited	Others	Unsecured	7.85%-8.05%	Upto 12 months

***Details of corporate deposits placed during the previous year ended March 31, 2024[1]**

Name of borrower	Nature of relationship	Type of deposit	Rate of interest	Term
Bajaj Finance Limited	Others	Unsecured	7.95%	< 6 months
Aditya Birla Finance Ltd	Others	Unsecured	8.10%	< 6 months

[1]Corporate deposits are made to earn treasury income for current year as well as for previous years.

Name of borrower	As at April 1, 2024	Placed during the year	Redeemed during the year	As at March 31, 2025
Bajaj Finance Limited	200.00	400.00	(600.00)	-
Aditya Birla Finance Ltd	199.99	-	(199.99)	-
	399.99	**400.00**	**(799.99)**	**-**

Name of borrower	As at April 1, 2023	Placed during the year	Redeemed during the year	As at March 31, 2024
Bajaj Finance Limited	-	200.00	-	200.00
Aditya Birla Finance Ltd	-	199.99	-	199.99
	-	**399.99**	**-**	**399.99**

Note: There were no corporate deposits placed or refunded during the year ended March 31, 2023.

12 Other assets

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Non-current (At amortised cost)			
Others (Unsecured, considered good)			
Advance towards acquisition of a subsidiary[1]	87.22	-	696.59
Deferred contract costs[2] (refer 12.1 for movement in contract balances)			
-considered good	7.62	9.46	5.97
-considered doubtful	-	-	-
Prepaid expenses	7.93	7.06	4.70
Contractual customer asset[3]	750.48	805.03	-
Total	**853.25**	**821.55**	**707.26**
Current			
Unsecured, considered good			
Advances other than capital advances			
-considered good	164.40	19.64	17.18
-considered doubtful	-	-	-
Deferred contract costs[2] (refer 12.1 for movement in contract balances)			
-considered good	21.76	5.22	9.58
-considered doubtful	-	-	-
Prepaid expenses	83.92	113.10	42.98
Balance with statutory/ government authorities	19.95	16.47	6.34
Contractual customer asset[3]	106.34	107.13	-
Total	**396.37**	**261.56**	**76.08**

[1]The Group had entered into a stock purchase agreement dated March 30, 2023 to acquire 100% stake in Brierley & Partners Inc., and Brierley Europe Limited (collectively referred to as "Brierley Group") for a total consideration of USD 10 million, consisting primarily of cash. Brierley Group provides customer relationship management and loyalty products and services, including technology, marketing and strategy to global companies. The Group has obtained control on April 1, 2023 upon satisfaction of customary closing conditions. The allocation of purchase price to goodwill and other acquired intangibles was not complete as on March 31, 2023. Consequently the financial statements of Brierley Group had not been consolidated in the consolidated financial statements for the year ended March 31,2023.
Also, during the year ended March 31, 2025, the Group has paid an amount of ₹ 87.22 million as security deposit for bid submission towards proposed acquisition of Entity/Assets of a conglomerate.

[2]Deferred contract costs represent commission costs paid to sales team and set out below is the movement in the capitalised contract costs.

[3] Contractual customer asset includes cost incurred to obtain a customer contract.

12.1 Deferred contract costs

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	14.68	15.55	14.09
Additions during the year	44.01	18.25	20.8
Amortised during the year	(29.61)	(16.91)	(19.84)
Translation adjustments during the year	0.30	(2.21)	0.50
At the end of the year	**29.38**	**14.68**	**15.55**
The same is shown under:			
Non-current	7.62	9.46	5.97
Current	21.76	5.22	9.58

13 Equity share capital

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)
Authorized						
125,000,000 equity shares (March 31, 2024: 125,000,000 equity shares, March 31, 2023: 75,000,000 equity shares) of ₹ 2 each*	125.00	250.00	125.00	250.00	75.00	150.00
100,000 preference shares (March 31, 2024: 100,000 equity shares, March 31, 2023: 100,000 equity shares) of ₹ 10 each	0.10	1.00	0.10	1.00	0.10	1.00
Total	**125.10**	**251.00**	**125.10**	**251.00**	**75.10**	**151.00**
Issued, subscribed and fully paid-up shares						
73,329,138 equity shares (March 31, 2024: 73,234,353 equity shares, March 31, 2023: 52,891,897 equity shares) of ₹ 2 each	73.32	146.65	73.23	146.46	52.89	105.79
Total	**73.32**	**146.65**	**73.23**	**146.46**	**52.89**	**105.79**

* Pursuant to the approval of the Board of Directors dated March 1, 2024 and shareholder at the Extra-Ordinary General Meeting dated March 8, 2024 , the authorised share capital of the Parent Company was increased from ₹ 150 million i.e. 75 million equity shares of ₹ 2 each to ₹ 250 million i.e. 125 million equity shares of ₹ 2 each and 0.10 million preference shares of ₹ 10 each.

(a) Issued share capital

(i) Reconciliation of the number of shares outstanding as at beginning and at the end of the reporting period

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)	Number of shares (in millions)	Amount (₹)
Equity shares outstanding as at the beginning of the year	**73.23**	**146.46**	**52.89**	**105.79**	**50.01**	**100.03**
Issuance of share capital[1]	0.09	0.19	2.76	5.51	2.66	5.33
Issue of Rights shares during the year[2]	-	-	11.05	22.10	-	-
Conversion of external commercial borrowings (ECBs) into fully paid shares[3]	-	-	0.44	0.87	-	-
Conversion of convertible instruments[4]	-	-	5.52	11.05	-	-
Exercise of share based payments[5]	-	-	0.57	1.14	-	-
Issue of bonus shares[6]	-	-	-	-	0.22	0.43
Equity shares outstanding as at the end of the year	**73.32**	**146.65**	**73.23**	**146.46**	**52.89**	**105.79**

[1]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 million on a private placement basis under the provisions of the Companies Act, 2013 and all other applicable laws and regulations.

Pursuant to the approval of Board of Directors on multiple dates during the year ended March 31, 2024, the Parent Company approved the allotment of 2,759,755 equity shares of face value of ₹ 2 each at a price of ₹ 308 per equity share (including securities premium of ₹ 306 per equity share) for an amount aggregating to ₹ 850.00 million on a private placement basis under the provisions of the Act and all other applicable laws and regulations.

Pursuant to the approval of the Board of Directors, dated March 24, 2023, the Parent Company approved the allotment of 2,664,285 equity shares of face value of ₹ 2 each at a price of ₹ 308 per equity share (including securities premium of ₹ 306 per equity share) for an amount aggregating to ₹ 820.60 million on a private placement basis under the provisions of Companies Act, 2013 and all other applicable laws and regulations.

[2] Pursuant to the approval of Board of Directors dated March 28, 2024, the Parent Company approved the allotment of 11,052,223 equity shares of face value of ₹ 2 each at a price of ₹ 44 per equity share (including securities premium of ₹ 42 per equity share) for an amount aggregating to ₹ 486.29 million on a private placement basis under the provisions of Companies Act, 2013 and all other applicable laws and regulations.

[3] Pursuant to the approval of Board of Directors dated January 29, 2024 , the Parent Company approved the allotment of 435,065 equity shares of face value of ₹ 10 each at a price of ₹ 308 per equity share (including securities premium of ₹ 306 per equity share) for an amount aggregating to ₹ 134.00 million for consideration other than cash consequent to conversion of external commercial borrowings to Capillary Technologies International Pte. Ltd., the Ultimate Holding Company.

[4] Pursuant to the approval of the Board of Directors, the Parent Company approved the conversion of Compulsory Convertible Debentures (CCDs) issued during the year into 5,524,350 equity shares of face value of ₹ 2 each at a price of ₹ 308 per equity share (including securities premium of ₹ 306 per equity share) for an amount aggregating to ₹ 1,701.50 million on a private placement basis under the provisions of Companies Act, 2013 and all other applicable laws and regulations.

[5] Pursuant to the approval of Nomination and Remuneration Committee dated November 15, 2023, the Parent Company approved the allotment of 571,064 equity shares arisen out of exercise of vested employee stock options under Capillary ESOP-2021 Scheme. The ESOP's exercised were of face value of ₹ 2 each at a price of ₹ 307.80 per equity share (including securities premium of ₹ 305.80 per equity share) for an amount aggregating to ₹ 175.77 million.

[6] Pursuant to the approval of Board of Directors dated March 24, 2023, the Parent Company had approved the issuance of bonus shares in the proportion of 4.53:1 aggregating to 214,656 equity shares of face value of ₹ 2 each for an amount aggregating to ₹ 0.43 million (fully paid-up by way of capitalisation of the Company's securities premium account) to the existing equity shareholders of the Company other than promoters under the provisions of Companies Act, 2013 and all other applicable laws and regulations.

(ii) Shares held by the Holding Company

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of shares held (in millions)	Amount (₹)	No. of shares held (in millions)	Amount (₹)	No. of shares held (in millions)	Amount (₹)
Capillary Technologies International Pte Ltd, Singapore, the Ultimate Holding Company						
Equity shares of ₹ 2 each fully paid	49.14	98.27	51.07	102.14	49.04	98.08

(iii) Details of share held by each shareholder more than 5% shares in the company

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of shares held (in millions)	% holding in the class	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 fully paid						
Capillary Technologies International Pte Ltd, Singapore, the Ultimate Holding Company[1]	49.14	67.00%	51.07	69.74%	49.04	92.72%
Avataar Holdings	3.29	4.49%	3.13	4.27%	2.66	5.03%
Avataar II Co Investment II Ltd	5.52	7.54%	5.52	7.54%	-	-
Avataar Venture Partners II	4.04	5.52%	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]Includes 20 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 year	No. of shares at the end of the year (in millions)	% of total shares	% change during the period
Capillary Technologies International Pte Ltd, Singapore, the Ultimate Holding Company					
March 31, 2025	51.07	(1.93)	49.14	67.00%	(2.74%)
March 31, 2024	49.04	2.03	51.07	69.74%	(22.98%)
March 31, 2023	2.33	46.71	49.04	92.72%	(1.94%)

13 Equity share capital (cont'd)

(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.

(vi) Rights, preference and restrictions attached to preference shares

The Parent Company had 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 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

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium (Number of shares, in millions)	-	-	0.22
Equity shares allotted for conversion of external commercial borrowing (Number of shares, in millions)	-	0.44	-

(viii) 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.

14 Other equity

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Retained earnings#			
Opening balance	**(5,164.54)**	**(4,566.70)**	**(3,684.59)**
Restated profit/ (loss) for the year	132.80	(593.78)	(877.19)
Add: Re-measurement (losses) on defined benefit plans	(4.24)	(4.06)	(4.92)
Add: Surrender of employee stock options and repurchase, net (refer note 32)	343.18	-	-
	(4,692.80)	**(5,164.54)**	**(4,566.70)**
Securities premium			
Opening balance	5,880.75	2,573.86	1,759.02
Issuance of share capital (refer note 13(a)[1])	49.73	844.49	815.27
Issue of Rights shares during the year(refer note 13(a)[2])	-	464.19	-
Conversion of external commercial borrowings (ECBs) into fully paid shares (refer note 13(a)[3])	-	133.13	-
Conversion of convertible instruments (refer note 13(a)[4])	-	1,690.45	-
Issue of bonus shares (refer note 13(a)[6])	-	-	-0.43
Exercise of share based payments (refer note 13(a)[5])	-	174.63	-
	5,930.48	**5,880.75**	**2,573.86**
Capital reserve			
Opening and closing balance	868.23	868.23	868.23
	868.23	**868.23**	**868.23**
Foreign currency translation reserve (FCTR)			
Opening balance	249.20	185.32	45.22
Opening translation adjustment	-	-	66.11
Movement during the year	72.74	63.88	73.99
	321.94	**249.20**	**185.32**
Capital contribution from the Ultimate Holding Company			
Opening balance	2,736.81	1,810.66	1,814.34
Warrant issued on behalf of the Group	-	926.15	-
Movement during the year	-	-	-3.68
	2,736.81	**2,736.81**	**1,810.66**
Share based payment reserve (refer note 32)			
Opening balance	672.61	888.53	259.17
Share-based payments (note 32)	89.98	79.08	637.28
Surrender of employee stock options and repurchase, net (refer note 32)	(391.43)	(295.00)	(7.92)
	371.16	**672.61**	**888.53**
Total other equity	**5,535.82**	**5,243.06**	**1,759.90**

The Group had incurred cash losses during the previous year ended March 31, 2024 and year ended March 31, 2023 which has resulted in substantial erosion of net worth of the Group. The management of the Group basis its business plan as approved by the Board of Directors expected that there will be a significant increase in the operations of the Group that will lead to improved cash flows and long-term sustainability and the Group will be able to generate sufficient profit in future years to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Further during the year ended March 31, 2025, the Group has made profits. Accordingly, the consolidated financial statements of the Group had been prepared on a going concern basis and do not include any adjustments relating to the carrying amount and classification of assets or the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern respectively.

Nature and purpose of reserves

14.1 Retained earnings

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.

14.2 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

14.3 Capital reserve

Capital reserve is on account of common control transaction as per Appendix C of Ind AS 103.

14.4 Foreign currency translation difference account

The foreign currency translation difference 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 Company.

14.5 Capital contribution from the Ultimate Holding Company

The Ultimate Holding Company had a share option scheme under which it granted employee stock options to certain employees of the Parent Company without any cross charge. Capital contribution from the Ultimate Holding Company is used to recognise the value of equity-settled share-based payments provided to employees of the Parent Company, including key management personnel, as part of their remuneration by the Ultimate Holding Company. Refer note 32 for further details. Further the Ultimate Holding Company has issued 3,011,871 number of share warrants to one of the customers of the group.

14.6 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.

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

15 Borrowings

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
At amortised cost	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Debentures						
Non convertible unlisted redeemable debentures (secured)[1]	-	-	29.92	322.56	331.52	208.86
Loans from related parties						
External Commercial Borrowing ('ECB') from the Ultimate Holding Company	-	-	-	-	89.61	89.61
Term loans from Body Corporate						
Indian rupee term loans from Body Corporate - NBFC (secured)[5]	-	-	-	-	-	36.91
US Dollar term loans from Body Corporate (secured)[6]	-	-	-	-	-	42.11
-US Dollar term loan from Body Corporate - SBA (secured)[2]	12.82	0.72	11.77	2.13	10.93	1.38
Loan from a Body Corporate (unsecured)[7]	-	-	-	-	-	50.48
Loan from a Body Corporate (secured)[9]	-	-	-	-	-	253.44
Loans repayable on demand						
US Dollar loan from bank (secured)[8]	-	470.02	-	-	-	83.49
Bank overdraft (secured)[3]	-	95.72	-	106.70	-	-
Working capital loans from a bank (secured)[3]	-	421.66	-	298.58	-	276.37
Total	**12.82**	**988.12**	**41.69**	**729.97**	**432.06**	**1,042.65**

Interest and security notes to Borrowings:

[1]The Parent Company had entered into debenture trust deed dated March 29, 2023 for issue of 6,000 (six thousand) fully paid, unlisted, secured and redeemable non-convertible debentures (NCD) of face value of ₹ 100,000 each, aggregating to an amount of ₹ 600 million for general corporate purpose. As on March 31, 2023, the Company had issued 5,500 fully paid, NCD, on a private placement basis, aggregating to an amount of ₹ 550 million. As on March 31, 2024 the Company has issued 6,000 fully paid, NCD, on a private placement basis, aggregating to an amount of ₹ 600 million. The NCD carries fixed coupon rate of 14.5% per annum, payable monthly on first of each month from the date of disbursement. NCD shall mature on April 01, 2025 and the principal amount of NCD are payable in equal monthly instalment starting from September 01, 2023. NCD is secured by way of first pari pasu charge on all the existing future, fixed, non-current and current assets, including any and all intellectual property and the intellectual property rights with respect to these movables present and future, accounts, cashflows, receivables, book debts, revenue, equipment, inventory, contract rights or right to payment of money, leases, license agreement, franchise agreements, goodwill, uncalled capital, general intangibles, documents, instruments (including any promissory notes), chattel paper (whether tangible or intangibles), cash, deposit accounts, fixtures, letter of credit rights (whether or not the letter of credit is evidenced by writing) and all other investment property of the Company. NCD is also secured by way of unconditional and irrevocable corporate guarantee from Capillary Technologies International Pte Ltd, Singapore, the Ultimate Holding Company. The Parent Company has re-paid the entire amount as at March 31, 2025.

[2]US Dollar term loan from Body Corporate - SBA in relation to a subsidiary of ₹ 13.54 million is outstanding as at March 31, 2025 (March 31, 2024: ₹ 13.90 million ; March 31, 2023: ₹ 12.31 million) 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. 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.

[3]During the year ended March 31, 2025, the Parent 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 with banks are in agreements with the book of accounts.

The Parent 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 with banks are in agreements with the book of accounts.

[4]During the year ended March 31, 2019, the Parent Company had entered into an External Commercial Borrowing ('ECB') arrangement with Capillary Technologies International Pte Ltd, Singapore, the Ultimate Holding Company. During the year ended March 31, 2020, the Company had taken loans amounting to USD 2 million carrying interest at the rate of 6 months LIBOR rate plus 300 basis points per annum payable on an annual basis at the end of each financial year. The aforesaid loan is repayable in two equal instalments on March 31, 2024 and September 30, 2024 respectively.

During the year ended March 31, 2024, pursuant to the approval of Board of Directors dated January 29,2024 , the Parent Company approved the allotment of 435,065 equity shares of face value of ₹ 10 each at a price of ₹ 308 per equity share (including securities premium of ₹ 306 per equity share) for an amount aggregating to ₹ 134.00 million for consideration other than cash consequent to conversion of the said external commercial borrowings to Capillary Technologies International Pte. Ltd., the Ultimate Holding Company. (Also refer note 13(a)[3])

[5]Indian Rupees term loans from Body Corporate - NBFC carries interest of 14.35% per annum and is payable on a monthly basis in 21 equal instalments. The loan is secured by hypothecation of existing, future, fixed, current and non-current assets, including any and all intellectual property and the intellectual property rights with respect to these movables present and future, accounts, cash flows, receivables, book debts, revenues, equipment, inventory, contract rights or rights to payments of money, leases, license agreements, franchise agreements, goodwill, uncalled capital, general intangibles, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letter of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or to be stored in or about the Parent Company's factories, premises and godowns held by any party to the order or disposition of the Parent Company, including in the course of transits, whether in ship or land, and all Parent Company's books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing and is guaranteed by way of a letter of guarantee from Capillary Technologies International Pte Ltd, Singapore, the Ultimate Holding Company. During the year ended March 31, 2024, the entire loan was repaid by the Parent Company.

[6] US Dollar term loan from a Body Corporate in relation to a subsidiary which carries interest of 9.50% per annum and is payable on a monthly basis starting from interest-only period - August 12, 2021 to October 31, 2021 and instalment period November 01, 2021 to July 01, 2023. The loan is secured by a debenture deed dated August 12, 2021; incorporating a first and exclusive fixed and floating charge over all of subsidiary's present and future assets including, bank accounts, book debts, investments and dividends, licences, intellectual property, uncalled capital and goodwill, chattels, beneficiary interest in any pension fund. Subsidiary shall cause such charge to be filed with the Accounting and Corporate Regulatory Authority of Singapore prior to the drawdown of the loan. Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC'), USA, Persuade Holding Inc. (formerly known as 'Persuade Holdings LLC'), USA, Capillary Technologies DMCC, UAE, Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia and Capillary Technologies (Shanghai) Co. Ltd, China provided a corporate guarantee guaranteeing the repayment of loan along with interest.
The Subsidiary has pledged the shares of Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) to the lender. The loan has been fully repaid during the year ended March 31, 2024.

[7]The Parent Company has entered into a loan agreement dated October 10, 2022 with Ms. Biotech Private Limited for ₹ 100 million. The loan is unsecured and is granted at an interest rate of 12.5% per annum payable on a monthly basis on a loan amount up to ₹ 50 million and interest rate of 18% on rest of the amount of loan i.e. ₹ 50 million. During the year ended March 31, 2024, the entire loan was repaid by the Parent Company.

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

15 Borrowings (cont'd)

[8]A 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 millions 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-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. The outstanding balance was settled during the year ended March 31, 2024. During the current year, 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. As on March 31, 2025, the entire credit limit of USD 4 million was utilised. The security against the credit facility remained the same.

A Subsidiary had taken a revolving demand note facility from HSBC Bank, USA, National Association dated March 28, 2025 for USD 3 million 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. As at March 31, 2025, the subsidiary has an outstanding of USD 1.5 million (March 31, 2024: Nil; March 31, 2023: Nil).

[9]The Parent Company had entered into a loan agreement dated November 28, 2022 with Gameberry Labs Private Limited for ₹ 250 million with interest of 18% per annum payable month and principal repayment within twelve months from the date of disbursement. During the year ended March 31, 2024, the entire loan was repaid. The loan was secured by hypothecation of existing book debts, accounts receivable, outstanding moneys, claims, demands, bills, contracts, engagements, securities, movable plant and machinery including vehicles, equipments, computers, furniture, appliances, products, machinery spares and stores, tools and accessories, whether installed or not, all intellectual property and intellectual property rights, securities and other sums which are now due and owing or accruing, any and all cash proceeds and/or non cash proceeds of any of the foregoing, including without limitation, insurance proceeds, and all supporting obligations and its security therefore or for any right to payment and any receivables from the assets that are acquired by the Company pursuant to the utilisation of loan amount. The loan was secured by way of a pari pasu first charge over the hypothecated properties, in favour of the Gameberry Labs Private Limited.

The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

16 Lease liabilities	**As at March 31, 2025**		**As at March 31, 2024**		**As at March 31, 2023**	
At amortised cost	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Lease liabilities[1]	32.54	30.78	8.01	23.42	2.10	17.94
Total	**32.54**	**30.78**	**8.01**	**23.42**	**2.10**	**17.94**

[1]For changes in liabilities arising from financing activities and maturity analysis , refer Note 33

17 Other financial liabilities	**As at March 31, 2025**		**As at March 31, 2024**		**As at March 31, 2023**	
At amortised cost	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Payable towards share purchase*	-	5.53	18.53	12.14	18.53	9.54
Accrued salaries and benefits	-	139.86	-	192.69	-	120.72
Total	**-**	**145.39**	**18.53**	**204.83**	**18.53**	**130.26**

* Pertains to amounts payable to erstwhile owners of Capillary Technologies LLC in lieu of settlement of contingent consideration payable.

18 Provisions	**As at March 31, 2025**		**As at March 31, 2024**		**As at March 31, 2023**	
At amortised cost	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Provision for employee benefits						
- Gratuity (refer note 31)	80.71	10.98	66.11	13.02	43.24	21.58
- Compensated absences	-	7.23	-	6.31	-	10.37
Total	**80.71**	**18.21**	**66.11**	**19.33**	**43.24**	**31.95**

19 Current tax liabilities (net)	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Provision for income tax (net of advance taxes)	7.73	24.00	1.03
	7.73	**24.00**	**1.03**

20 Trade payables	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
At amortised cost			
Total outstanding dues of micro and small enterprises[1,2,3]	13.23	73.95	28.77
Total outstanding dues of creditors other than micro and small enterprises[1,3]	492.52	654.31	559.80
	505.75	**728.26**	**588.57**

Notes:-

1. Trade payables are non-interest bearing and are normally settled on terms up to 90 days.

2.The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 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, 2025, March 31, 2024 and March 31, 2023 has been made in the restated consolidated financial information 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, 2025; March 31, 2024 and March 31, 2023.

20.1 Disclosure as per the MSMED Act, 2006	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
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	13.23	73.95	28.77
- Interest due on above	-	-	0.29
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.	-	-	0.29
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	-	-	-

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

20 Trade payables (cont'd)

Trade payables ageing schedule:
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	254.98	235.09	0.82	1.63	-	492.52
	254.98	**248.32**	**0.82**	**1.63**	**-**	**505.75**

As at March 31, 2024

	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	-	73.95	-	-	-	73.95
-Total outstanding dues of creditors other than micro enterprises and small enterprises	275.06	366.94	1.99	-	10.32	654.31
	275.06	**440.89**	**1.99**	**-**	**10.32**	**728.26**

As at March 31, 2023

	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	-	28.47	0.02	-	0.28	28.77
-Total outstanding dues of creditors other than micro enterprises and small enterprises	189.21	330.69	28.22	6.55	5.13	559.80
	189.21	**359.16**	**28.24**	**6.55**	**5.41**	**588.57**

21 Deferred tax

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
21A Deferred tax assets			
Opening balance	**6.83**	**-**	-
Disallowance of share based payment	2.30	6.79	-
Reversal of opening share based payment	(3.67)	-	-
Translation adjustment	0.16	0.04	-
Closing balance	**5.62**	**6.83**	**-**

21B Deferred tax liability	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Deferred tax liability related to the following:			
Deferred tax liability on intangibles on account of acquisition of a subsidiary (refer note 39)	71.04	99.39	58.06
Deferred tax liability on present value adjustment on purchase consideration on account of acquisition of a subsidiary	-	-	0.88
Translation Adjustment	-	(4.40)	2.96
	71.04	**94.99**	**61.90**

Restated Consolidated Statement of Profit and Loss:	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax liability on present value adjustment on purchase consideration on account of acquisition of a	-	(0.88)	(6.56)
Deferred tax liability on intangibles on account of acquisition of a subsidiary	(23.19)	(63.35)	(39.51)
Deferred tax assets on disallowance of share based payments recognised in the Restated Consolidated Statement of Profit and Loss	1.37	(6.79)	-
Deferred tax credit	**(21.82)**	**(71.02)**	**(46.07)**

Reconciliation of deferred tax liabilities:	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Opening balance	94.99	61.90	105.01
Deferred tax liability on intangibles on account of acquisition of a subsidiary (refer note 39)	-	101.72	-
Deferred tax credit recognised in the Restated Consolidated Statement of Profit and Loss	(23.19)	(64.23)	(46.07)
Translation Adjustment	(0.76)	(4.40)	2.96
Closing balance	**71.04**	**94.99**	**61.90**

22 Other current liabilities	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Contract liabilities - Deferred revenue (refer note 23.3)	680.74	1,256.66	398.56
Statutory dues payable	64.51	74.48	29.65
Advance from customers (refer note 23.3)	65.73	30.88	-
Total	**810.98**	**1,362.02**	**428.21**

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

23 Revenue from operations

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of services			
Retainership and other services	4,811.05	4,021.29	1,564.31
Installation revenue	1,100.31	746.69	419.56
Revenue from campaign services on a principal basis (refer note (a) below)	-	483.02	569.85
Revenue from campaign services on an agent basis (refer note (a) below)	71.23	-	-
Total	**5,982.59**	**5,251.00**	**2,553.72**

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

To ensure comparability of the "Revenue from campaign services" for the periods presented in the restated consolidated financial information, the Group has presented below the revenue, net of campaign service costs. The information provided below is to enhance the understanding of the users of the restated consolidated financial information particularly revenue, on a like to like basis.

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

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from campaign services on a principal basis	-	483.02	569.85
Revenue from campaign services on an agent basis	71.23	-	-
Less: Cost of campaign services	-	(417.03)	(482.86)
Revenue (net of campaign service cost)	**71.23**	**65.99**	**86.99**

23.1 Disaggregated revenue information

Set out below is the disaggregated of the company's revenue from contracts with customer based on geography:

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
United states of America	3,415.30	2,687.96	499.54
United Kingdom	917.23	679.12	-
Others	1,650.06	1,883.92	2,054.18
Total	**5,982.59**	**5,251.00**	**2,553.72**

23.2 Timing of revenue recognition

Services transferred over time	5,911.36	4,767.98	1,983.87
Services transferred at a point in time	71.23	483.02	569.85
	5,982.59	**5,251.00**	**2,553.72**

23.3 Contract balances

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Trade receivables (including unbilled revenue) (refer note 9)	1,611.21	1,456.51	801.11
Contract liabilities - Deferred revenue (refer note 22)	680.74	1,256.66	398.56
Advance from customers (refer note 22)	65.73	30.88	-

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Movement in Contract liabilities - Deferred revenue			
Opening balance	1,256.66	398.56	336.10
Add: Revenue to be recognised from performance obligations to be satisfied in succeeding year	680.74	1,256.66	398.56
Less: Revenue recognised during the year	(1,256.66)	(398.56)	(336.10)
Closing balance	**680.74**	**1,256.66**	**398.56**

24 Other income

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under effective interest rate method			
-Interest income on bank deposits	13.30	12.64	5.44
-Interest income on security deposits	0.62	0.35	0.10
-Interest income on corporate deposits	25.18	6.50	-
Other non operating income			
-Gain on fair valuation of investments carried at fair value through profit and loss	-	9.59	-
-Profit on sale of investments	76.53	17.55	-
-Gain on account of foreign exchange fluctuations (net)	-	-	25.40
-Profit on sale of property, plant and equipment (net)	0.62	0.51	0.06
-Provisions/ liabilities no longer required written back	0.18	26.07	38.22
-Interest income on income tax refund	2.05	2.58	9.71
-Other miscellaneous income	17.62	27.61	29.88
Total	**136.10**	**103.40**	**108.81**

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

25 Employee benefits expense

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	2,583.31	2,336.26	1,206.46
Contribution to provident and other funds (refer note 31)	178.59	156.14	67.78
Gratuity expenses (refer note 31)	21.38	20.75	16.53
Share based payments (refer note 32)	77.69	53.34	536.57
Staff welfare and training and recruitment expenses	94.23	152.94	56.76
Total	**2,955.20**	**2,719.43**	**1,884.10**

26 Finance costs

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	62.66	166.91	98.87
Interest on lease liabilities (refer note 33)	3.91	1.39	3.47
Interest - others	1.14	0.10	0.64
Bank charges	10.17	8.68	9.41
Total	**77.88**	**177.08**	**112.39**

27 Depreciation and amortisation expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 4)	28.56	27.60	23.73
Amortisation of intangible assets (refer note 5)	539.03	510.83	321.25
Depreciation of right-of-use assets (refer note 4)	33.44	22.18	21.95
Total	**601.03**	**560.61**	**366.93**

28 Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Travelling and conveyance	101.80	122.54	53.88
Business promotion expenses	117.81	110.85	120.35
Loss allowances under expected credit loss model (refer note 9)	78.42	41.21	19.19
Property, plant and equipment written off	0.81	2.31	-
Rent	33.17	23.16	7.67
Rates and taxes	13.05	19.72	22.31
Auditor's remuneration (refer Note 28.1)	7.38	5.20	3.16
Loss on account of foreign exchange fluctuations (net)	7.24	26.85	-
Sitting fees to non-executive directors (refer note 35)	3.50	3.40	4.30
Insurance expenses	16.26	8.37	5.40
Miscellaneous expenses	81.54	60.25	32.34
Total	**460.98**	**423.86**	**268.60**

28.1 Auditor's remuneration (exclusive of goods and services tax)

As auditor:			
Statutory audit	5.58	5.20	2.50
Other assurance services	1.80	-	2.80
	7.38	**5.20**	**5.30**
Less: Recoverable from Ultimate Holding Company	-	-	(2.14)
	7.38	**5.20**	**3.16**

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(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.

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expenses in the Restated Consolidated Statement of Profit and Loss consist of the following:			
(a) Current tax for continuing operations	(12.90)	1.93	(17.26)
(b) Deferred tax expense/ (credit) for continuing operations*	(21.82)	(71.02)	(46.07)
(c) Current tax expense on discontinued operations (refer note 42)	0.20	23.85	13.25
	(34.52)	**(45.24)**	**(50.08)**

* 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, 2025.

29 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (loss) before tax from continuing operations	106.82	(752.60)	(948.89)
(Loss) / Profit before tax from discontinued operations	(8.54)	113.58	21.62
Tax at the Indian tax rate of 25.168% (March 31, 2024: 25.168% ; March 31, 2023: 25.168%)	24.74	(160.83)	(233.37)
Effect of:			
Tax effect on business losses and unabsorbed depreciation on which deferred tax has not been accounted	(24.74)	160.83	233.37
Provision for/(reversal) of tax of foreign subsidiaries on a standalone basis	(12.70)	25.78	(4.01)
Tax effect on intangibles on account on acquisition of a subsidiary	(23.19)	(63.35)	(39.51)
Tax effect on account of disallowances of share based payments	1.37	(6.79)	-
Tax liability on present value adjustment on purchase consideration on account of acquisition of a subsidiary	-	(0.88)	(6.56)
Total tax expenses reported in the Restated Consolidated Statement of Profit and Loss (continuing and discontinuing operations)	**(34.52)**	**(45.24)**	**(50.08)**

29 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 Recognised deferred tax assets and (liabilities)

Movement in temporary differences

	Opening as at April 1, 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)**

	Opening as at April 1, 2023	Recognized in PL	Recognized in OCI	Others	Closing as at March 31, 2024
Deferred tax liability on intangibles on account of acquisition of a subsidiary	(61.02)	63.35	4.40	-	6.73
Deferred tax asset on share based payment	-	6.79	0.04	-	6.83
Deferred tax liability on intangibles on account of acquisition of a subsidiary (refer note 39)	-	-	-	(101.72)	(101.72)
Deferred tax liability on present value adjustment on purchase consideration on account of acquisition of a subsidiary	(0.88)	0.88	-	-	-
Net deferred tax (liabilities)/assets	**(61.90)**	**71.02**	**4.44**	**(101.72)**	**(88.16)**

29 Recognised deferred tax assets and (liabilities) (cont'd)

	Opening as at April 01, 2022	Recognized in PL	Recognized in OCI	Others	Closing as at March 31, 2023
Deferred tax liability on intangibles on account of acquisition of a subsidiary	(97.57)	39.51	(2.96)	-	(61.02)
Deferred tax liability on present value adjustment on purchase consideration on account of acquisition of a subsidiary	(7.44)	6.56	-	-	(0.88)
Net deferred tax (liabilities)/assets	**(105.01)**	**46.07**	**(2.96)**	**-**	**(61.90)**

29 Expiration of losses carried forward

The Parent Company has tax losses which arose in India of ₹ 1,241.00 million (March 31, 2024: ₹ 1,008.54 million, March 31, 2023: ₹ 1,008.54 million) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose.

	As at March 31,2025	As at March 31,2024	As at March 31,2023
March 31, 2024	-	104.56	104.56
March 31, 2025	156.86	191.92	191.92
March 31, 2026	76.98	76.98	76.98
March 31, 2031	635.08	635.08	635.08
March 31, 2032	372.08	-	-
	1,241.00	**1,008.54**	**1,008.54**

Notes:-

i) The Parent Company has unabsorbed depreciation loss of ₹ 481.86 million (March 31, 2024: ₹292.39 million, March 31, 2023: ₹134.15 million) 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 anti-dilutive 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

The following table reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Face value of equity shares (₹ per share)	2.00	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 million) (a)	141.54	(683.51)	(885.56)
Weighted average number of equity shares used for computing EPS (basic) from continuing operations (in millions) (b)	73.25	56.27	50.24
Effect of dilution:			
Employee share options	0.78	0.82	0.22
Weighted average number of equity shares adjusted for the effect of dilution (in Million) (c)	74.03	57.09	50.46
EPS- Basic (₹) (d=a/b)	**1.93**	**(12.15)**	**(17.63)**
EPS- Diluted (₹) (e=a/c)*	**1.91**	**(12.15)**	**(17.63)**

*Considering the Group has incurred losses for the years ended March 31, 2024 and March 31, 2023, the effect of dilution on account of shares to be issued as per Capillary Employees Stock Option Scheme' - 2021 ('CESP') has been ignored as same would be anti-dilutive.

(ii) EPS from Discontinued operations			
(Loss)/ profit attributable to equity shareholders of the Parent Company for basic/ diluted EPS for discontinued operations (₹ in million) (a)	(8.74)	89.73	8.37
Weighted average number of equity shares used for computing EPS (basic) from discontinued operations (in millions) (b)	73.25	56.27	50.24
Effect of dilution:			
Employee share options (number of shares for which no compensation)	0.78	0.82	0.22
Weighted average number of equity shares adjusted for the effect of dilution (in Million) (c)	74.03	57.09	50.46
EPS- Basic (₹) (d=a/b)	**(0.12)**	**1.59**	**0.17**
EPS- Diluted (₹) (e=a/c)*	**(0.12)**	**1.57**	**0.17**

*Considering the Group has incurred loss in the current year, the effect of dilution on account of shares to be issued as per Capillary Employees Stock Option Scheme' - 2021 ('CESP') has been ignored as same would be anti-dilutive.

(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 million) (a)	132.80	(593.78)	(877.19)
Weighted average number of equity shares used for computing EPS (basic) from continuing and discontinued operations (in millions) (b)	73.25	56.27	50.24
Effect of dilution:			
Employee share options (number of shares for which no compensation)	0.78	0.82	0.22
Weighted average number of equity shares adjusted for the effect of dilution (in Million) (c)	74.03	57.09	50.46
EPS- Basic (₹) (d=a/b)	**1.81**	**(10.55)**	**(17.46)**
EPS- Diluted (₹) (e=a/c)*	**1.79**	**(10.55)**	**(17.46)**

*Considering the Group has incurred losses for the years ended March 31, 2024 and March 31, 2023, the effect of dilution on account of shares to be issued as per Capillary Employees Stock Option Scheme' - 2021 ('CESP') has been ignored as same would be anti-dilutive.

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 Restated Consolidated Statement of Profit and Loss as they accrue. Contributions to provident and other funds included in employee benefit expenses (refer note 25) are as under:

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds	178.59	156.14	67.78
Total	**178.59**	**156.14**	**67.78**

II) Defined benefit plan
Gratuity
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 Restated Consolidated Statement of Profit and Loss and amounts recognised in the Restated Consolidated Balance Sheet for gratuity benefit:

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

31 Gratuity and other post-employment benefit plans (cont'd)

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Net benefit expenses (recognised in the Restated Consolidated Statement of Profit and Loss)			
Current service cost	17.01	17.03	13.87
Interest cost on defined benefit obligation	4.37	3.72	2.66
Net benefit expenses	**21.38**	**20.75**	**16.53**
ii. Remeasurement loss recognised in other comprehensive income (OCI):			
Actuarial loss on obligations arising from changes in experience adjustments	4.24	3.29	5.89
Actuarial loss on obligations arising from changes in financial assumptions	-	0.77	(0.97)
Actuarial loss recognised in OCI	**4.24**	**4.06**	**4.92**

iii. Net defined benefit liability	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	91.69	79.13	64.82
Plan liability	**91.69**	**79.13**	**64.82**
iv. Changes in the present value of the defined benefit obligation are as follows			
Opening defined benefit obligation	79.13	64.82	48.96
Current service cost	17.01	17.03	13.87
Interest cost on the defined benefit obligation	4.37	3.72	2.66
Benefits paid	(13.36)	(10.50)	(5.59)
Actuarial loss on obligations arising from changes in experience adjustments	4.24	3.29	5.89
Actuarial (gain) on obligations arising from changes in financial assumptions	-	0.77	(0.97)
Translation adjustments	0.30	-	-
Closing defined benefit obligation	**91.69**	**79.13**	**64.82**
v. The following pay-outs are expected in future years:			
Within the next 12 months	11.52	13.96	11.50
Between 1 and 2 years	9.42	10.68	8.87
Between 2 and 3 years	7.71	8.36	6.85
Between 3 and 4 years	6.22	6.52	5.32
Between 4 and 5 years	5.23	5.12	4.18
Between 6 and 10 years	16.38	15.68	13.00
Beyond 10 years	80.65	48.37	37.47
Expected cash outflow in future years	**137.13**	**108.69**	**87.19**

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.38 years (March 31, 2024: 5.65 years, March 31, 2023: 6.99 years).

vi. The principal assumptions used in determining gratuity obligations for the Parent Company's plan are shown below:

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Discount rate (in %)	6.66%	7.19%	7.43%
Salary escalation rate (in %)	10.00%	10.00%	10.00%
Employee turnover/ withdrawal rate	25.00%	30.00%	30.00%
Retirement age	58	58	58
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	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.

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31 Gratuity and other post-employment benefit plans (cont'd)

vii. A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Discount rate			
Impact on defined benefit obligation due to 1% increase in discount rate	(4.89)	(3.31)	(2.57)
Impact on defined benefit obligation due to 1% decrease in discount rate	5.57	3.70	2.86
Salary escalation rate			
Impact on defined benefit obligation due to 1% increase in salary escalation rate	2.81	1.96	1.57
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(2.84)	(1.94)	(1.62)
Attrition rate			
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.62)	(0.31)	(0.23)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.63	0.30	0.21

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 Restated Consolidated Statement of Assets and Liabilities. 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:

A Capillary Employee Stock Option Scheme - 2021 ('CESP')

The shareholders of Holding 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 Holding Company, its wholly owned subsidiary and step-subsidiaries, either existing or as may be incorporated from time to time and its Ultimate Holding Company.

The plan is administered by a Board of Directors of the Holding 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, 2025	March 31, 2024	March 31, 2023
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	61.90%	62.40%	62.40%
Risk-free interest rate (% p.a.)	6.60%	7.12%	7.27%
Expected life of option (years)	5.5	5.5	5.57 - 6.25
Weighted average share price as per Pre discount for lack of marketability (“DLOM”)	₹ 526.70	₹ 307.80	₹ 376- ₹ 308
Weighted average share price as per Post discount for lack of marketability (“DLOM”)	₹ 509.51	₹ 297.25	₹355.96 - ₹ 298.8

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:

(₹ in Millions)

	March 31, 2025		March 31, 2024		March 31, 2023	
	Number of options (in millions)	WAEP	Number of options (in millions)	WAEP	Number of options (in millions)	WAEP
Options outstanding at the beginning of the year	1.96	2.05	3.23	0.26	3.75	0.05
Granted during the year	0.49	2.00	0.40	2.00	1.04	0.73
Forfeited / lapsed during the year	(0.16)	(1.41)	(0.71)	(0.61)	(1.54)	(0.06)
Exercised during the year	-	-	(0.57)	(2.00)	-	-
Surrender/ re-purchase during the year	(1.14)	(4.91)	(0.39)	(0.37)	(0.02)	-
Options outstanding at the end of the year	**1.15**	**7.85**	**1.96**	**2.05**	**3.23**	**0.26**
Exercisable at year end	**0.61**		**1.37**		**2.01**	

The weighted average remaining contractual life of vested option as at March 31, 2025 is 7.19 years (March 31, 2024 - 7.72 years, March 31, 2023 - 8.92 years) and 8.61 years (March 31, 2024 - 8.27 years, March 31, 2023- 9.20 years) for unvested options.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

32 Share-based payments (cont'd)

B Employee stock option expenses

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

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Arising from equity settled share based payment transaction of CESP recognised in Employee benefits expense. (refer note 25)*	77.69	53.34	536.57

* Excludes ₹ 9.04 million (March 31, 2024: ₹ 10.24 million, March 31, 2023: ₹ 38.82 million) on account of expense arising from equity settled share based payment transaction of CESP recognised in internally generated intangible assets

The Parent Company has granted stock options to the employees of Capillary Group under ESOP Plan as detailed in note 32(A) above. The Parent Company has an obligation to settle the transaction with the employees of the Capillary group by providing its own equity shares. Therefore, in accordance with Ind AS 102, the Parent Company has measured its expense in accordance with the requirements applicable to equity-settled share-based payment transaction.

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 9.5% as on March 31, 2025 (March 31, 2024 and March 31, 2023: ranges between 3.69% to 14.35%)

	As at March 31,2025	As at March 31,2024	As at March 31,2023
(b) Carrying value of right-of-use assets at the end of the reporting period (refer note 4)	59.84	30.13	18.07
(c) Analysis of lease liabilities			
Opening lease liabilities	**31.43**	**20.04**	**36.98**
Addition during the year	60.95	38.58	5.45
Accretion of interest during the year	3.91	1.39	3.47
Cash outflow towards payment of lease liabilities during the year	(33.04)	(24.23)	(26.68)
Modification of lease liabilities during the year	-	(4.37)	-
Translation adjustments if any	0.07	0.02	0.82
Closing lease liabilities	**63.32**	**31.43**	**20.04**

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Less than One year	34.63	23.33	19.14
More than One less than five years	35.19	10.11	2.10

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
(d) Impact of statement of profit and loss			
Depreciation on right-of-use assets	33.44	22.18	21.95
Interest expense on lease liabilities	3.91	1.39	3.47
Expenses relating to short-term leases (included in other expenses)	33.17	23.16	7.67
	70.52	**46.73**	**33.09**
(e) Amounts recognised in the Consolidated Cash Flow Statement			
Total outflow for leases - principal	29.13	22.84	23.54
Total outflow for leases - interest	3.91	1.39	3.14
	33.04	**24.23**	**26.68**

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 Restated Consolidated Financial Information, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the Restated Consolidated Financial Information 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.

	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Bank guarantees outstanding	3.91	3.91	4.68

(i) The Honourable Supreme Court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judgement retrospectively. In the absence of reliable measurement of the provision for earlier years, the Group has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

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)
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 and Chief Executive Officer (upto December 31, 2022, re-appointed w.e.f. April 1, 2024) and Managing Director (w.e.f. January 01, 2023)
	Mr. Anant Choubey, Executive Director, Chief Operating Officer and Chief Financial Officer (w.e.f. September 02, 2022)
	Mr. Alok Choubey, Relative
	Mr. Satish Kumar Choubey, Relative
	Mr. Venkat Ramana Tadanki, Independent Director
	Mrs. Neelam Dhawan, Independent Director
	Mr. Sameer Garde, Independent Director (upto December 31, 2022) and Executive director and CEO (w.e.f January 01, 2023 till March 31,2024)
	Mrs. Yamini Preethi Natti, Independent Director
	Mr. Farid Lalji Kazani, Independent Director
	Mr. Mahendra Chordia, Chief Financial Officer (upto May 13, 2022)
	Mrs. G. Bhargavi Reddy, Company Secretary
	Mr. Mohan Reddy Boddu, Relative
	Mr. Aditya Reddy Boddu, Relative
	Ms. Pavani Reddy Boddu, Relative
	Ms. Janaki Munjuluri Rao, Relative

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
1) Transactions during the year			
i) Interest on borrowings			
Capillary Technologies International Pte. Ltd., Singapore	-	11.92	19.19
Ms Biotech Private Limited	-	0.51	4.93
ii) Sitting fees to non-executive directors			
Mr. Venkat Ramana Tadanki	0.90	0.90	0.90
Mrs. Neelam Dhawan	1.10	1.00	1.20
Mr. Sameer Garde	-	-	0.60
Mrs. Yamini Preethi Natti	0.70	0.70	0.60
Mr. Farid Lalji Kazani	0.80	0.80	1.00
iii) Issuance of equity shares (including securities premium)			
Capillary Technologies International Pte. Ltd., Singapore	-	573.52	-
Mr. Mohan Reddy Boddu	-	-	0.02
Mr. Anant Choubey	-	8.66	0.02
Mr. Aditya Reddy Boddu	-	-	0.01
Mr. Mahendra Chordia (upto May 13, 2022)	-	-	0.01
Mr. Sameer Garde	-	1.42	-
Mr. Satish Kumar Choubey	-	-	0.01
Mr. Aneesh Reddy Boddu	-	136.19	-
iv) Expenditure incurred by the Company on behalf of others			
Reasoning Global eApplications Private Limited, India	-	-	0.12
v) Expenditure incurred by the Group on behalf of Ultimate Holding Company			
Capillary Technologies International Pte. Ltd., Singapore	3.52	16.15	29.72
vi) Borrowings from private company in which Key Managerial Personnel or their relatives is a member or director			
MS Biotech Private Limited	-	-	100.00
vii) Expenditure incurred by the Ultimate Holding Company on behalf of the Group			
Capillary Technologies International Pte. Ltd., Singapore	7.87	-	-
viii) Repayment of borrowing from private company in which Key Managerial Personnel or their relatives is a member or director			
Ms Biotech Private Limited	-	50.00	50.00
xi) Loan from director			
Mr. Aneesh Reddy Boddu	-	-	50.00
x) Repayment of loan from director			
Mr. Aneesh Reddy Boddu	-	-	50.00

35 Related party disclosures (cont'd)

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

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
xi) Professional and consultancy expenses			
Mr. Sameer Garde	-	-	4.91
xii) Other miscellaneous income			
Capillary Technologies International Pte. Ltd., Singapore	13.67	16.58	9.19
xiii) Remuneration to key managerial personnel and their relatives (including employee stock option expenses)*			
Mr. Anant Choubey	12.96	16.87	72.73
Mr. Aneesh Reddy Boddu	16.31	133.61	240.21
Mr. Mahendra Chordia	-	-	2.16
Mrs. G. Bhargavi Reddy	5.58	5.50	4.98
Mr. Sameer Garde	-	11.17	10.57
*The remuneration to KMPs disclosed above includes share based payment for the year amounts to ₹ 0.26 million (March 31, 2024: ₹ 5.6 million ; March 31, 2023: ₹ 290.13 million)			

2) Outstanding balances as at year end:

Particulars	**As at March 31, 2025**	**As at March 31,2024**	**As at March 31,2023**
i) Other receivables from related parties			
Capillary Technologies International Pte. Ltd., Singapore	12.24	2.66	145.76
Reasoning Global eApplications Private Limited, India	0.16	0.15	0.12
ii) Corporate guarantees taken from the Ultimate Holding Company			
Capillary Technologies International Pte. Ltd., Singapore	-	352.48	805.00
iii) Trade Payable			
Capillary Technologies International Pte. Ltd., Singapore	-	-	39.99
iv) External Commercial Borrowings			
Capillary Technologies International Pte. Ltd., Singapore	-	-	179.22
v) Unsecured loan from body corporate			
Ms Biotech Private Limited (including interest accrued)	-	-	50.48

vii) 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**	**Number Outstanding (in millions)**	**Number Outstanding (in millions)**	**Number Outstanding (in millions)**
		As at March 31, 2025	**As at March 31,2024**	**As at March 31,2023**
Capillary Employees Stock Option Scheme' - 2021 ('CESP')	2	0.22	1.23	1.65

No share options have been granted to the non-executive members of the Board of Directors under the share based payments plans the Parent Company. Refer to note 32 for further details on CESP.

c) Transactions eliminated during the year end *
(i) Capillary Technologies India Limited

Particulars	**Nature of transaction**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Capillary Pte. Ltd, Singapore	Service income from group companies	1,252.41	656.36	632.50
Capillary Pte. Ltd, Singapore	Expenses incurred on behalf of	4.87	1.49	0.35
Capillary Technologies DMCC, UAE	Expenses incurred on behalf of	1.50	0.02	-
Capillary Technologies LLC, USA	Expenses incurred on behalf of	193.78	98.89	7.61
Capillary Technologies Europe Ltd	Expenses incurred on behalf of	139.49	24.76	-
Capillary Brierley Inc.	Expenses incurred on behalf of	7.65	4.04	-
Capillary Technologies Inc, USA	Expenses incurred on behalf of	7.52	-	-
PT Capillary Technologies Indonesia	Expenses incurred on behalf of	0.03	-	-
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Expenses incurred on behalf of	0.01	-	-
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	160.37	161.66	146.48
Capillary Technologies LLC, USA	Expenses reimbursement to	211.22	2.81	-
Capillary Technologies DMCC, UAE	Expenses reimbursement to	16.79	14.07	3.78
Capillary Brierley Inc.	Expenses reimbursement to	8.98	-	-
Capillary Pte. Ltd, Singapore	Advance towards investment in subsidiary	-	-	133.19
Capillary Pte. Ltd, Singapore	Purchase of Intellectual Property	-	-	344.90
Capillary Pte. Ltd, Singapore	Investment in unquoted equity shares	1,282.05	856.44	331.56
Capillary Technologies DMCC, UAE	Capital contribution in subsidiaries	7.83	2.51	9.95
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Capital contribution in subsidiaries	3.38	3.17	12.83
PT Capillary Technologies Indonesia	Capital contribution in subsidiaries	(0.61)	(0.06)	2.09
Capillary Pte Limited., Singapore	Capital contribution in subsidiaries	-	(0.57)	0.51
Capillary Technologies LLC, USA	Capital contribution in subsidiaries	2.72	0.28	10.17
Capillary Technologies Europe Ltd	Capital contribution in subsidiaries	6.81	5.69	-
Capillary Brierley Inc.	Capital contribution in subsidiaries	7.78	11.69	-

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (cont'd)

c) Transactions eliminated during the year end (cont'd)

(ii) Capillary Technologies Inc.

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Technologies LLC, USA	Issuance of share capital	-	0.82	-
Capillary Brierley Inc, USA	Expenses reimbursement to	17.00	7.54	-
Capillary Technologies LLC, USA	Expenses reimbursement to	36.44	31.10	-
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	1.93	-	-
Capillary Technologies India Limited	Expenses reimbursement to	7.52	-	-

(iii) Capillary Pte. Ltd.

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Technologies India Limited	Tech and analytics services	475.25	488.61	506.57
Capillary Technologies India Limited	Tech and analytics services - others	777.16	167.75	125.96
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Tech and analytics services	38.41	36.29	52.06
Capillary Technologies LLC, USA	Tech and analytics services	-	-	7.26
Capillary Technologies DMCC, UAE	Service income from group companies	136.88	107.16	158.45
PT Capillary Technologies Indonesia	Service income from group companies	15.40	22.34	26.83
Capillary Technologies LLC, USA	Service income from group companies	619.12	74.54	-
Capillary Technologies Europe Limited	Service income from group companies	44.17	-	-
Capillary Technologies India Limited	Expenses reimbursement to	4.87	1.49	0.35
Capillary Technologies India Limited	Expenses incurred on behalf of	160.37	161.66	146.48
Capillary Technologies India Limited	Advance towards investment in subsidiary	-	-	133.19
Capillary Technologies India Limited	Purchase of Intellectual Property	-	-	344.90
Capillary Technologies India Limited	Issuance of share capital	1,282.05	856.44	331.56
Capillary Technologies India Limited	Capital contribution from parent company	-	(0.57)	0.51
PT Capillary Technologies Indonesia	Expenses incurred on behalf of	0.25	1.35	0.51
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Expenses incurred on behalf of	0.82	-	0.18
Capillary Technologies DMCC, UAE	Expenses incurred on behalf of	56.99	36.83	95.65
Capillary Technologies LLC, USA	Expenses incurred on behalf of	28.05	12.18	13.25
Capillary Technologies Europe Limited	Expenses incurred on behalf of	52.74	31.93	-
Capillary Brierley Inc.	Expenses incurred on behalf of	91.23	10.26	-
Capillary Technologies Inc, USA	Expenses incurred on behalf of	1.93	-	-
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Expenses reimbursement to	-	0.60	-
Capillary Technologies DMCC, UAE	Expenses reimbursement to	120.52	30.03	161.99
PT Capillary Technologies Indonesia	Expenses reimbursement to	-	1.36	-
Capillary Technologies Europe Limited	Expenses reimbursement to	-	101.02	-
Capillary Technologies LLC, USA	Expenses reimbursement to	43.38	203.10	12.68

(iv) Capillary Technologies Europe Limited

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Pte. Ltd, Singapore	Tech and analytics services	44.17	-	-
Capillary Technologies India Limited	Capital contribution from parent company	6.81	5.69	-
Capillary Brierley Inc.	Expenses incurred on behalf of	-	6.84	-
Capillary Pte. Ltd, Singapore	Expenses incurred on behalf of	-	101.02	-
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	52.74	31.93	-
Capillary Technologies India Limited	Expenses reimbursement to	139.49	24.76	-
Capillary Technologies LLC, USA	Expenses reimbursement to	0.57	1.39	-
Capillary Technologies DMCC, UAE	Expenses reimbursement to	10.84	-	-
Capillary Brierley Inc.	Expenses reimbursement to	39.26	212.32	-

(v) Capillary Technologies DMCC

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Pte. Ltd, Singapore	Tech and analytics services	136.88	107.16	158.45
Capillary Technologies India Limited	Capital contribution from parent company	7.83	2.51	9.95
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	56.99	36.83	95.65
Capillary Technologies India Limited	Expenses reimbursement to	1.50	0.02	-
Capillary Technologies LLC, USA	Expenses reimbursement to	2.38	-	-
Capillary Technologies India Limited	Expenses incurred on behalf of	16.79	14.07	3.78
Capillary Pte. Ltd, Singapore	Expenses incurred on behalf of	120.52	30.03	161.99
PT Capillary Technologies Indonesia	Expenses incurred on behalf of	12.39	5.79	0.57
Capillary Technologies LLC, USA	Expenses incurred on behalf of	7.52	1.46	0.19
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Expenses incurred on behalf of	-	0.07	0.03
Capillary Technologies Europe Limited	Expenses incurred on behalf of	10.84	-	-
Capillary Brierley Inc.	Expenses incurred on behalf of	2.99	-	-

(vi) PT Capillary Technologies Indonesia

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Pte. Ltd, Singapore	Tech and analytics services	15.40	22.34	26.83
Capillary Technologies India Limited	Capital contribution from parent company	(0.61)	(0.06)	2.09
Capillary Technologies India Limited	Expenses reimbursement to	0.03	-	-
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	0.25	1.35	0.51
Capillary Technologies DMCC, UAE	Expenses reimbursement to	12.39	5.79	0.57
Capillary Pte. Ltd, Singapore	Expenses incurred on behalf of	-	1.36	-

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (cont'd)

c) Transactions eliminated during the year end (cont'd)

(vii) Capillary Technologies (Malaysia) Sdn. Bhd.

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Pte. Ltd, Singapore	Service income from group companies	38.41	36.29	52.06
Capillary Technologies India Limited	Capital contribution from parent company	3.38	3.17	12.83
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	0.82	-	0.18
Capillary Technologies DMCC, UAE	Expenses reimbursement to	-	0.07	0.03
Capillary Technologies India Limited	Expenses reimbursement to	0.01	-	-
Capillary Pte. Ltd, Singapore	Expenses incurred on behalf of	-	0.60	-

(viii) Capillary Technologies LLC, USA

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Pte. Ltd, Singapore	Service income from group companies	-	-	7.26
Capillary Brierley Inc.	Service income from group companies	61.94	-	-
Capillary Pte. Ltd, Singapore	Tech and analytics services	557.18	74.54	-
Capillary Pte. Ltd, Singapore	Tech and analytics services - Others	61.94	-	-
Capillary Technologies Inc, USA	Investment in unquoted equity shares		0.82	-
Capillary Technologies India Limited	Capital contribution from parent company	2.72	0.28	10.17
Capillary Technologies India Limited	Expenses reimbursement to	193.78	98.89	7.61
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	28.05	12.18	13.25
Capillary Technologies DMCC, UAE	Expenses reimbursement to	7.52	1.46	0.19
Capillary Brierley Inc.	Expenses reimbursement to	34.76	16.20	-
Capillary Technologies India Limited	Expenses incurred on behalf of	211.22	2.81	-
Capillary Pte. Ltd, Singapore	Expenses incurred on behalf of	43.38	203.10	12.68
Capillary Technologies Inc, USA	Expenses incurred on behalf of	36.44	31.10	-
Capillary Technologies Europe Limited	Expenses incurred on behalf of	0.57	1.39	-
Capillary Brierley Inc.	Expenses incurred on behalf of	18.14	-	-
Capillary Technologies DMCC, UAE	Expenses incurred on behalf of	2.38	-	-

(ix) Capillary Brierley Inc, USA

Particulars	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Capillary Technologies LLC, USA	Tech and analytics services	61.94	-	-
Capillary Technologies India Limited	Capital contribution from parent company	7.78	11.69	-
Capillary Technologies India Limited	Expenses reimbursement to	7.65	4.04	-
Capillary Pte. Ltd, Singapore	Expenses reimbursement to	91.23	10.26	-
Capillary Technologies LLC, USA	Expenses reimbursement to	18.14	-	-
Capillary Technologies DMCC, UAE	Expenses reimbursement to	2.99	-	-
Capillary Technologies Europe Limited	Expenses reimbursement to	-	6.84	-
Capillary Technologies India Limited	Expenses incurred on behalf of	8.98	-	-
Capillary Technologies Europe Limited	Expenses incurred on behalf of	39.26	212.32	-
Capillary Technologies LLC, USA	Expenses incurred on behalf of	34.76	16.20	-
Capillary Technologies Inc, USA	Expenses incurred on behalf of	17.00	7.54	-

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (cont'd)

d) Balances eliminated as at the year end *

(i) Capillary Technologies India Limited

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Investment in unquoted equity shares	4,066.82	2,784.73	1,269.01
Capillary Pte. Ltd, Singapore	Advance toward investment in subsidiary	-	-	526.08
Capillary Technologies DMCC, UAE	Capital contribution in subsidiaries	24.71	16.88	14.37
Capillary Technologies (Malaysia) Sdn. Bhd., Malaysia	Capital contribution in subsidiaries	25.12	21.75	18.58
Capillary Brierley Inc.	Capital contribution in subsidiaries	19.47	11.69	-
Capillary Technologies Europe Limited	Capital contribution in subsidiaries	12.50	5.69	-
PT Capillary Technologies Indonesia	Capital contribution in subsidiaries	1.83	2.44	2.50
Capillary Pte. Ltd, Singapore	Capital contribution in subsidiaries	-	0.04	0.61
Capillary Technologies LLC, USA	Capital contribution in subsidiaries	23.43	20.71	20.43
Capillary Pte. Ltd, Singapore	Trade receivables	285.37	280.15	614.49
Capillary Technologies LLC, USA	Other receivables from related parties	-	80.06	7.45
Capillary Brierley Inc.	Other receivables from related parties	-	3.28	-
Capillary Pte. Ltd, Singapore	Other receivables from related parties	-	-	11.90
Capillary Technologies Europe Limited	Other receivables from related parties	14.80	-	-
PT Capillary Technologies Indonesia	Other receivables from related parties	0.03	-	-
Capillary Technologies (Malaysia) Sdn. Bhd.,	Other receivables from related parties	0.01	-	-
Capillary Technologies Inc, USA	Other receivables from related parties	7.60	-	-
Capillary Pte. Ltd, Singapore	Trade payables	211.82	53.31	240.93
Capillary Technologies DMCC, UAE	Trade payables	1.31	8.30	4.08
Capillary Technologies Europe Limited	Trade payables	-	14.73	-
Capillary Brierley Inc.	Trade payables	3.39	-	-
Capillary Technologies LLC, USA	Trade payables	68.49	-	-
Capillary Pte. Ltd, Singapore	Contract liabilities - Deferred revenue	-	-	161.57
Capillary Pte. Ltd, Singapore	Other financial liabilities	-	-	344.90

(ii) Capillary Technologies Inc.

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Technologies LLC	Share Capital	0.82	0.82	-
Capillary Technologies LLC	Trade payables	-	31.31	-
Capillary Brierley Inc.	Trade payables	13.58	7.59	-
Capillary Technologies India Limited	Trade payables	7.60	-	-
Capillary Technologies LLC	Other receivables from related parties	15.14	-	-

(iii) Capillary Pte. Ltd.

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Technologies India Limited	Share capital	2,785.10	2,785.10	1,266.27
Capillary Technologies India Limited	Employee shared based payment reserve	-	0.04	0.61
Capillary Technologies India Limited	Share application money pending allotment	1,278.83	-	659.28
Capillary Technologies LLC	Advance towards investment in subsidiary	-	-	656.54
Capillary Technologies Europe Ltd	Investment in unquoted equity shares	299.78	299.78	-
Capillary Technologies LLC	Investment in unquoted equity shares	2,698.40	2,698.40	1,802.43
Capillary Technologies DMCC, UAE	Investment in unquoted equity shares	41.62	41.62	-
Capillary Technologies Shanghai Co. Ltd, China	Investment in unquoted equity shares	-	-	3.33
Capillary Technologies India Limited	Trade payables	285.38	280.15	614.49
Capillary Technologies Shanghai Co. Ltd, China	Trade payables	-	-	16.53
Capillary Technologies LLC, USA	Trade payables	192.75	-	31.00
Capillary Technologies Europe Ltd	Trade payables	15.59	57.06	-
Capillary Technologies India Limited	Other payables	-	-	11.90
Capillary Technologies India Limited	Other receivables from related parties	211.82	53.31	221.80
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	Other receivables from related parties	70.16	66.72	65.94
Capillary Technologies DMCC, UAE	Other receivables from related parties	114.92	99.23	598.32
Capillary Technologies LLC, USA	Other receivables from related parties	-	30.90	-
Capillary Brierley Inc, USA	Other receivables from related parties	8.78	7.79	-
PT Capillary Technologies Indonesia, Indonesia	Other receivables from related parties	10.64	15.36	22.76

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (cont'd)

d) Balances eliminated as at the year end (cont'd)

(iv) Capillary Technologies Europe Limited

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Share capital	40.42	40.42	-
Capillary Technologies India Limited	Employee shared based payment reserve	12.50	5.69	-
Capillary Technologies India Limited	Trade receivables	-	14.44	-
Capillary Pte. Ltd, Singapore	Trade receivables	15.59	57.06	-
Capillary Technologies India Limited	Trade payables	14.83	-	-
Capillary Technologies DMCC, UAE	Trade payables	0.20	-	-
Capillary Technologies LLC, USA	Trade payables	-	1.41	-
Capillary Brierley Inc.	Trade payables	0.31	27.16	-

(v) Capillary Technologies DMCC

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Share capital	42.63	42.63	1.01
Capillary Technologies India Limited	Employee shared based payment reserve	24.71	16.88	14.37
Capillary Pte. Ltd, Singapore	Trade payables	114.91	99.23	598.28
Capillary Technologies India Limited	Other receivables from related parties	1.28	8.27	4.08
PT Capillary Technologies Indonesia, Indonesia	Other receivables from related parties	13.95	1.39	0.72
Capillary Technologies (Malaysia) Sdn Bhd, Malaysia	Other receivables from related parties	2.75	2.69	2.57
Capillary Technologies Europe Ltd	Other receivables from related parties	0.20	-	-
Capillary Technologies LLC, USA	Other receivables from related parties	0.34	1.47	8.81

(vi) PT Capillary Technologies Indonesia

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Share capital	1.59	1.59	1.59
Capillary Technologies India Limited	Employee shared based payment reserve	1.83	2.44	2.50
Capillary Pte. Ltd, Singapore	Trade payables	10.65	15.38	22.85
Capillary Technologies DMCC, UAE	Trade payables	13.95	1.39	0.75
Capillary Technologies India Limited	Trade payables	0.03	-	-

(vii) Capillary Technologies (Malaysia) Sdn.

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Share capital	8.68	8.68	8.68
Capillary Technologies India Limited	Employee shared based payment reserve	25.12	21.75	18.58
Capillary Pte. Ltd, Singapore	Trade payables	70.15	66.72	65.95
Capillary Technologies India Limited	Trade payables	2.77	2.70	2.58

(viii) Capillary Technologies LLC, USA

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Share capital	964.17	964.17	68.21
Capillary Technologies India Limited	Employee shared based payment reserve	23.43	20.71	20.43
Capillary Pte. Ltd, Singapore	Share application money pending allotment	-	-	656.54
Capillary Brierley Inc.	Investment in unquoted equity shares	980.68	981.48	-
Capillary Technologies Inc, USA	Investment in unquoted equity shares	0.80	0.82	-
Capillary Technologies India Limited	Trade payables	-	80.06	7.44
Capillary Pte. Ltd, Singapore	Trade payables	-	30.91	-
Capillary Technologies DMCC, UAE	Trade payables	0.34	1.47	8.81
Capillary Technologies Inc, USA	Trade payables	15.14	-	-
Capillary Brierley Inc.	Other receivables from related parties	86.29	21.22	-
Capillary Pte. Ltd, Singapore	Other receivables from related parties	192.73	-	31.00
Capillary Technologies India Limited	Other receivables from related parties	68.49	-	-
Capillary Technologies Europe Ltd	Other receivables from related parties	-	1.41	-
Capillary Technologies Inc, USA	Other receivables from related parties	-	31.31	-

(ix) Capillary Brierley Inc, USA

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Technologies LLC	Share application money pending allotment	443.53	443.53	-
Capillary Technologies India Limited	Employee shared based payment reserve	19.47	11.69	-
Capillary Technologies India Limited	Trade payables	-	3.28	-
Capillary Pte. Ltd, Singapore	Trade payables	8.77	7.78	-
Capillary Technologies LLC, USA	Trade payables	86.29	21.52	-
Capillary Technologies Europe Ltd	Other receivables from related parties	0.38	27.11	-
Capillary Technologies India Limited	Other receivables from related parties	3.39	-	-
Capillary Technologies Inc, USA	Other receivables from related parties	13.58	7.59	-

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

35 Related party disclosures (cont'd)

d) Balances eliminated as at the year end (cont'd)

(x) Capillary Technologies (Shanghai) Co, Ltd

Particulars	Nature of transaction	As at March 31, 2025	As at March 31,2024	As at March 31,2023
Capillary Pte. Ltd, Singapore	Share capital	510.35	510.35	510.35
Capillary Pte. Ltd, Singapore	Other receivables from related parties	-	-	16.53

* As per schedule VI paragraph 11 (1)(A)(i)(g) of ICDR regulations.

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. Refer note 15 for borrowings with regard to securities given by the Ultimate Holding Company for the loan facility availed by the Parent Company.

4. 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.

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 restated consolidated financial information 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, 2025 and March 31, 2023 each that individually accounted for more than 10% of the total revenue. No customer for March 31, 2024 individually accounted for more than 10% of the total revenue.

(b) Geographical information

(i) Revenue[1]	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
United States of America	3,415.30	2,687.96	499.54
United Kingdom	917.23	679.12	-
Others	1,650.06	1,883.92	2,054.18
Revenue from continuing operations	**5,982.59**	**5,251.00**	**2,553.72**
Revenue from discontinued operations	**332.83**	**651.45**	**673.10**
Total revenue	**6,315.42**	**5,902.45**	**3,226.82**

[1]Revenue by geographical area are based on the geographical location of the customer

(ii) Non-current assets[2]	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
United States of America	3,009.83	2,307.08	1,913.16
United Kingdom	169.57	216.77	-
Others	683.33	1,340.46	1,086.49
Total assets	**3,862.73**	**3,864.31**	**2,999.65**

[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

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on Restated 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 3.12.

(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 profit and loss as at March 31, 2025, March 31, 2024 and March 31, 2023.

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

As at March 31, 2025	**Amortised cost**	**Fair value through OCI**	**Fair value through profit or loss**	**Total**	**Fair value**		
Financial assets					**Level 1**	**Level 2**	**Level 3**
(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**	**-**	**-**	**-**
As at March 31, 2024	**Amortised cost**	**Fair value through OCI**	**Fair value through profit or loss**	**Total**	**Fair value**		
Financial assets					**Level 1**	**Level 2**	**Level 3**
(i) Investments	-	-	699.25	699.25	699.25	-	-
(ii) Trade receivables*	1,456.51	-	-	1,456.51	-	-	-
(iii) Cash and cash equivalents*	1,806.68	-	-	1,806.68	-	-	-
(iv) Loans*	399.99	-	-	399.99	-	-	-
(v) Other financial assets*	172.49	-	-	172.49	-	-	-
Total	**3,835.67**	**-**	**699.25**	**4,534.92**	**699.25**	**-**	**-**
Financial liabilities							
(i) Borrowings*	771.66	-	-	771.66	-	-	-
(ii) Trade payables*	728.26	-	-	728.26	-	-	-
(iii) Lease liabilities*	31.43	-	-	31.43	-	-	-
(iv) Other financial liabilities*	223.36	-	-	223.36	-	-	-
Total	**1,754.71**	**-**	**-**	**1,754.71**	**-**	**-**	**-**
As at March 31, 2023	**Amortised cost**	**Fair value through OCI**	**Fair value through profit or loss**	**Total**	**Fair value**		
Financial assets					**Level 1**	**Level 2**	**Level 3**
(i) Investments	-	-	-	-	-	-	-
(ii) Trade receivables*	801.11	-	-	801.11	-	-	-
(iii) Cash and cash equivalents*	462.00	-	-	462.00	-	-	-
(iv) Loans*	-	-	-	-	-	-	-
(v) Other financial assets*	274.76	-	-	274.76	-	-	-
Total	**1,537.87**	**-**	**-**	**1,537.87**	**-**	**-**	**-**
Financial liabilities							
(i) Borrowings*	1,474.71	-	-	1,474.71	-	-	-
(ii) Trade payables*	588.57	-	-	588.57	-	-	-
(iii) Lease liabilities*	20.04	-	-	20.04	-	-	-
(iv) Other financial liabilities*	148.79	-	-	148.79	-	-	-
Total	**2,232.11**	**-**	**-**	**2,232.11**	**-**	**-**	**-**

* 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.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (cont'd)

(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.

(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, 2025, March 31, 2024 and March 31, 2023.

(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.

(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	March 31, 2025	March 31, 2024	March 31, 2023
Fixed rate instruments:			
Financial liabilities	13.54	366.38	935.63
Variable rate instruments:			
Financial liabilities	987.40	405.28	539.08

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 is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest rate fluctuation	+50	(4.94)	(2.03)	(2.70)
Interest rate fluctuation	-50	4.94	2.03	2.70

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (cont'd)

(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:

	March 31, 2025		March 31, 2024		March 31, 2023	
Particulars	**Amount in foreign currency**	**Amount in ₹**	**Amount in foreign currency**	**Amount in ₹**	**Amount in foreign currency**	**Amount in ₹**
Trade receivables						
USD	5.16	441.05	22.98	1,913.02	0.60	45.88
HKD	-	-	-	-	0.22	2.27
MYR	0.01	0.14	0.01	0.22	0.08	0.37
SGD	-	-	0.25	13.60	0.34	21.27
THB	-	-	0.10	0.24	11.63	19.13
EUR	-	-	-	-	-	-
GBP	-	-	1.26	132.50	-	-
EUR	0.36	32.89	0.15	13.49	-	-
Other receivables from related parties						
USD	-	-	-	-	2.12	174.12
Cash and cash equivalents						
USD	15.74	1,345.02	12.17	1,014.42	0.00	0.26
SGD	-	-	0.01	0.64	0.03	1.74
GBP	-	-	0.61	64.69	-	-
Security deposits						
SGD	-	-	0.01	0.59	0.02	1.36
USD	-	-	0.02	1.92	-	-
GBP	-	-	0.22	22.92	-	-
Borrowings						
USD	-	-	0.17	13.90	2.18	179.22
Trade payables						
USD	0.84	71.68	2.42	201.96	7.18	589.91
SGD	-	-	1.19	73.49	1.64	246.41
BDT	-	-	0.00	0.00	-	-
GBP	-	-	0.71	75.16	-	-
MYR	-	-	-	-	0.01	0.15
EUR	0.10	9.33				
CAD	0.01	0.31				
JPY	6.14	3.50				
PHP	0.01	0.01				
THB	-	-	-	-	0.01	0.04
AUD	-	-	0.00	0.20	-	-
Other current financial liabilities						
SGD	-	-	0.50	30.67	0.03	2.02
USD	-	-	9.97	830.72	-	-
GBP	-	-	0.42	44.40	-	-

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.

Particulars	Change in currency	Effect on profit or loss before tax	
		Strengthening	**Weakening**
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
March 31, 2024			
USD	5%	94.04	(94.04)
SGD	5%	(4.47)	4.47
MYR	5%	0.01	(0.01)
THB	5%	0.01	(0.01)
EUR	5%	0.67	(0.67)
GBP	5%	5.03	(5.03)
AUD	5%	(0.01)	0.01
March 31, 2023			
USD	5%	(27.44)	27.44
SGD	5%	(2.50)	2.50
MYR	5%	0.01	(0.01)
THB	5%	0.95	(0.95)
HKD	5%	0.11	(0.11)
EUR	5%	0.04	(0.04)

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2025, March 31, 2024 and March 31, 2023. The year end balances are not necessarily representative of the average debt outstanding during the year.

37 Financial instruments (cont'd)

(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 ₹ 1,611.21 million, ₹ 1,456.51 million and ₹ 801.11 million as at March 31, 2025, March 31, 2024 and March 31, 2023 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 a 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 9.

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. 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 ₹ 128.28 million, ₹53.33 million and ₹ 10.53 million as at year ended March 31, 2025, March 31, 2024 and March 31, 2023 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.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

37 Financial instruments (cont'd)

(d) Liquidity risk (cont'd)

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, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Less than 1 year						
Borrowings (refer note 1)	987.40	735.33	1,026.10	988.12	729.97	1,042.65
Lease liabilities	34.63	23.33	19.14	30.78	23.42	17.94
Trade payables	503.30	728.26	588.57	503.30	728.26	588.57
Other financial liabilities	145.39	204.83	130.26	145.39	204.83	130.26
	1,670.72	**1,691.75**	**1,764.07**	**1,667.59**	**1,686.48**	**1,779.42**
Between 1 to 5 years						
Borrowings (refer note 1)	3.00	32.84	417.81	3.00	33.58	424.73
Lease liabilities	35.19	10.11	2.10	32.54	8.01	2.10
Trade payables	2.45	-	-	2.45	-	-
Other financial liabilities	-	18.53	18.53	-	18.53	18.53
	40.64	**61.48**	**438.44**	**37.99**	**60.12**	**445.36**
More than 5 years						
Borrowings (refer note 1 below)	9.82	8.11	8.02	9.82	8.11	7.33
Lease liabilities	-	-		-	-	-
Trade payables	-	-		-	-	-
Other financial liabilities	-	-		-	-	-
	9.82	**8.11**	**8.02**	**9.82**	**8.11**	**7.33**
Total	**1,721.18**	**1,761.34**	**2,210.53**	**1,715.40**	**1,754.71**	**2,232.11**

Notes:

1. The above disclosure excludes interest to be paid on the borrowings, by the Group.

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, 2025	As at March 31, 2024	As at March 31, 2023
Share capital	146.65	146.46	105.79
Other Equity	5,535.82	5,243.06	1,759.90
Equity (A)	**5,682.47**	**5,389.52**	**1,865.69**
Cash and cash equivalents	2,140.71	1,806.68	462.00
Current investments	-	699.25	-
Total Fund (B)	**2,140.71**	**2,505.93**	**462.00**
Lease liabilities (F)	63.32	31.43	20.04
Borrowings	1,000.94	771.66	1,474.71
Total debts (C)	**1,064.26**	**803.09**	**1,494.75**
Net Debt (D=(C-B))	**(1,076.45)**	**(1,702.84)**	**1,032.75**
Total capital (equity + net debt)	**4,606.02**	**3,686.68**	**2,898.44**
Net debt to equity ratio (E=D/A)	*	*	0.55
Net debt (excluding lease liabilities)[G=(D-F)]	**(1,139.77)**	**(1,734.27)**	**1,012.71**
Net debt to equity ratio (excluding lease liabilities) (H=G/A)	*	*	0.54

*** 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 and previous year ended March 31, 2025, March 31, 2024 and March 31, 2023, the Group had repaid certain borrowings with the amount of funds raised during the previous year in order to de-leverage the balance sheet. Further, owing to right issues by the parent company and certain advances received from the customer in a subsidiary at the end of March 2024, the Cash and cash equivalents have increased considerably, leading to Gearing ratio being in the negative. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025, March 31, 2024 and March 31, 2023.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

39 Business Combinations

(a) Acquisitions during the year ended March 31, 2023

On March 31, 2023, Capillary Technologies LLC (subsidiary of Capillary Pte. Ltd, wholly owned subsidiary of the Parent Company) executed a Stock Purchase Agreement with Nomura Research Institute Holdings America, Inc. and Brierley & Partners, Inc. for acquisition of 100% membership interest and shareholding of Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc.) w.e.f. April 1, 2023. Brierley & Partners, Inc. was the holder of all the issued and outstanding equity interests of Brierley Europe Limited). On March 31, 2023, Capillary Pte. Ltd executed a Share Purchase Agreement with Brierley & Partner, Inc. for acquisition of 100% membership interest and shareholding of Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited) w.e.f. April 1, 2023.

Assets acquired

The fair value of identifiable assets and liabilities of the group i.e. Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc.) and Capillary Technologies Europe Limited (formerly Brierley Europe Limited) are shown below:

	Balance recognised on acquisition
Assets and liabilities	
Net assets acquired including property, plant and equipment	289.15
Identified intangible assets acquired	479.38
Deferred tax liability on identified intangibles on purchase consideration	(101.72)
Goodwill	159.49
Purchase consideration	**826.30**
Purchase consideration	
Consideration paid in cash	472.44
Consideration paid for settlement of debt and debt like items	353.86
	826.30

All other disclosures as required under Ind AS 103 are as follows -
(i) The primary reason for the acquisition is the enhancement of Loyalty business in the United States of America (USA) and United Kingdom (UK.)
(ii) No contingent liabilities have been recognised.
(iii) There are no such transactions that are recognized separately from the acquisition of assets and assumption of liabilities in the business combination.
(iv) The above business combination is not achieved in stages.
(v) Goodwill is not tax deductible.

(b) Asset purchase during the year ending March 31, 2024

The Asset Purchase Agreement (Global APA) was signed between Tenerity LLC (Seller) and Capillary Pte. Ltd ("CPL") on May 4, 2023, for the sale of certain identified assets to CPL. On the closing date, i.e., June 1, 2023, the identified asset purchase was completed. The global APA also provided for affiliates of Tenerity to sell certain identified assets to CPL and its affiliates.

With the understanding set out in the Global APA, Capillary Technologies India Limited (Parent company of Capillary Pte. Ltd) and Tenerity India Private Limited (wholly owned subsidiary of Tenerity LLC, USA) entered into an agreement on June 1, 2023 (Closing date) for purchase from the Seller, the identified Assets on an itemized sale basis.

Assets acquired

The fair value of identifiable assets and liabilities purchased from Tenerity group are shown below:

	Balance recognised on acquisition
Assets and liabilities	
Net intangible assets acquired	257.31
Purchase consideration	**257.31**
Purchase consideration	
Consideration paid in cash	257.31
	257.31

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40 Statutory group information

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 total comprehensive income					
						March 31, 2025		March 31, 2024		March 31, 2023		March 31, 2025		March 31, 2024		March 31, 2023	
			March 31, 2025	March 31, 2024	March 31, 2023	As % of consolidated net assets*	₹ in millions	As % of consolidated net assets*	₹ in millions	As % of consolidated net assets*	₹ in million	As % of total comprehensive income*	₹ in millions	As % of total comprehensive income*	₹ in millions	As % of total comprehensive income*	₹ in millions
Parent Company																	
Capillary Technologies India Limited	India	Parent Company				84.07%	4,777.19	86.36%	4,654.53	109.90%	2,050.35	15.31%	30.82	98.77%	(527.40)	112.06%	(905.56)
Foreign Subsidiaries																	
Capillary Pte. Ltd	Singapore	Subsidiary	100%	100%	100%	74.96%	4,259.65	54.87%	2,957.01	136.44%	2,545.64	12.94%	26.05	(5.57%)	29.76	27.73%	(224.13)
Capillary Technologies DMCC	UAE	Subsidiary	100%	100%	100%	(1.52%)	(86.60)	(1.88%)	(101.23)	(35.29%)	(658.48)	4.61%	9.29	(3.64%)	19.46	4.81%	(38.85)
Capillary Technologies Shanghai Co. Ltd	China	Subsidiary	100%	100%	100%	0.01%	0.43	0.02%	1.15	0.29%	5.38	(0.35%)	(0.71)	1.65%	(8.79)	1.62%	(13.10)
Capillary Technologies (Malaysia) Sdn Bhd	Malaysia	Subsidiary	100%	100%	100%	(1.35%)	(76.48)	(1.37%)	(73.82)	(4.36%)	(81.33)	0.16%	0.32	(0.68%)	3.65	0.21%	(1.72)
PT Capillary Technologies Indonesia	Indonesia	Subsidiary	100%	100%	100%	(0.80%)	(45.40)	(0.88%)	(47.17)	(2.64%)	(49.32)	0.67%	1.34	(0.28%)	1.49	(0.03%)	0.25
Capillary Technologies LLC (formerly known as 'Persuade Loyalty LLC')	USA	Subsidiary	100%	100%	100%	45.27%	2,572.40	39.06%	2,105.05	39.87%	743.82	214.03%	430.84	(37.30%)	199.15	3.59%	(29.02)
Persuade Holdings Inc (formerly known as Persuade Holdings LLC) up to June 2, 2023	USA	Subsidiary	NA	100%	100%	NA	NA	NA	NA	0.00%	0.02	NA	NA	0.00%	-	0.00%	-
Capillary Technologies Europe Limited (formerly known as Brierley Europe Limited) w.e.f. April 1, 2023	United Kingdom	Subsidiary	100%	100%	NA	1.64%	93.11	2.77%	149.35	NA	NA	12.85%	25.86	3.49%	(18.65)	NA	NA
Capillary Brierley Inc. (formerly known as Brierley & Partners, Inc) w.e.f. April 1, 2023	USA	Subsidiary	100%	100%	NA	3.96%	225.02	5.30%	285.90	NA	NA	(82.68%)	(166.43)	15.11%	(80.66)	NA	NA
Capillary Technologies Inc. w.e.f. June 1, 2023	USA	Subsidiary	100%	100%	NA	0.27%	15.29	0.24%	13.13	NA	NA	0.90%	1.81	(4.13%)	22.07	NA	NA
Sub Total						**206.51%**	11,734.61	**184.50%**	9,943.90	**244.20%**	4,556.08	**178.43%**	359.19	**67.41%**	(359.92)	**149.99%**	(1,212.13)
Consolidation adjustments/ eliminations**						(106.51%)	(6,052.14)	(84.50%)	(4,554.38)	(144.20%)	(2,690.39)	(78.43%)	(157.89)	32.59%	(174.04)	(49.99%)	404.01
Total						**100.00%**	**5,682.47**	**100.00%**	**5,389.52**	**100.00%**	**1,865.69**	**100.00%**	**201.30**	**100.00%**	**(533.96)**	**100.00%**	**(808.12)**

* The figures have been considered from the respective standalone financial statements.

** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

41 Exceptional items

As on March 31, 2023, the Acquired Enterprises i.e. Capillary Technologies LLC (formerly known as Persuade Loyalty LLC) did not achieve the earn out condition mentioned in the Acquisition Agreement and hence the contingent consideration was no longer payable. The Management of the Parent Company, vide a Waiver and Consent Letter granted an agreed USD 0.83 million fully vested options of the Ultimate Holding Company and a cash payout of USD 0.38 million as a final settlement with the erstwhile shareholders and the investors of the Acquired Enterprises.

The balance cash payout of USD 2.12 million (₹ 113.82 million) which was no longer payable had been written back to the Restated Consolidated Statement of Profit and Loss as "Exceptional items".

42 Discontinued Operations

(i) 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 million to the Restated Consolidated Statement of Profit and Loss for the year ended March 31, 2025.

Accordingly, the discontinued operations has been accounted for in accordance with the stipulations of Ind AS 105 - Non- current assets held for sale and discontinued operations. The comparative periods have also been adjusted in line with the requirements of the standard.

The (Loss)/Profit from the Discontinued Operations for the years are as mentioned below:

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Revenue from operations	62.78	259.54	354.78
II. Other income	-	-	-
III. Total income (I+II)	**62.78**	**259.54**	**354.78**
IV. Total expenses	72.25	251.81	396.25
V. (Loss)/ profit before tax (III-IV)	**(9.47)**	**7.73**	**(41.47)**
VI. Tax expense (net) from discontinued operations	-	1.62	-
VII. (Loss)/ profit for the period/year from discontinued operations (V-VI)	**(9.47)**	**6.11**	**(41.47)**
Net cashflow attributable to the discontinued operations is as follows:			
Cashflow from Operating activities	1.20	52.82	77.44
Cashflow from Investing activities	-	-	-
Cashflow from Financing activities	-	-	-
Net increase in cash and cash equivalents	**1.20**	**52.82**	**77.44**

(ii) The Parent Company vide its Board resolution dated March 12, 2025, 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 Restated Consolidated Statement of Profit and Loss for the year ended March 31, 2025.

Accordingly, the discontinued operations has been accounted for in accordance with the stipulations of Ind AS 105 - Non- current assets held for sale and discontinued operations.. The comparative periods have also been adjusted in line with the requirements of the standard.

The Profit from the Discontinued Operations for the years are as mentioned below:

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Revenue from operations	270.05	391.91	318.32
II. Other income	-	-	-
III. Total income (I+II)	**270.05**	**391.91**	**318.32**
IV. Total expenses	269.12	286.06	255.23
V. Profit before tax (III-IV)	**0.93**	**105.85**	**63.09**
VI. Tax expense (net) from discontinued operations	0.20	22.23	13.25
VII. Profit for the year from discontinued operations (V-VI)	**0.73**	**83.62**	**49.84**
Net cashflow attributable to the discontinued operations is as follows:			
Cashflow from Operating activities	16.12	101.39	32.93
Cashflow from Investing activities	-	-	-
Cashflow from Financing activities	-	-	-
Net increase in cash and cash equivalents	**16.12**	**101.39**	**32.93**

43 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 Restated 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 period ended March 31, 2025 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 Restated Consolidated Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

44 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.

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, 2023					
Capillary Pte. Ltd., Singapore	March 29, 2023	659.28	March 31, 2023	659.28	Refer note (a) below
For the year ended March 31, 2024					
Capillary Pte. Ltd., Singapore	April 05, 2023	208.35	April 06, 2023	208.35	refer note (b) below
	August 21, 2023	41.67	August 22, 2023	41.67	refer note (c) below
	December 27, 2023	41.61	December 28, 2023	41.61	refer note (d) below
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 (a) - Capillary Pte. Ltd., has invested in the shares of Capillary Technologies LLC, USA on March 30, 2023, which has further invested in acquisition of Brierley & Partners, Inc., The Ultimate Beneficiaries is Nomura Research Institute Holdings America, Inc.

Note (b) - Capillary Pte. Ltd., has invested in the shares of Capillary Technologies LLC, USA on April 06, 2023.

Note (c) - Capillary Pte. Ltd., has invested in the shares of Capillary Technologies Europe Limited, on August 22, 2023.

Note (d) - Capillary Pte. Ltd., has invested in the shares of Capillary Technologies DMCC, on December 28, 2023.

(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.

Name of the Company who has advanced the funds	Date of funds received	Amount of funds received	Date on which funds are further advanced to other intermediary	Amount of funds further advanced to other intermediary	Other intermediary
For the year ended March 31, 2023					
Avataar Holdings	March 29, 2023	820.60	March 29, 2023	659.28	Capillary Pte. Ltd. And Capillary Technologies LLC (Refer note (a) above)
Gameberry Labs Private Limited	November 29, 2022	250.00	December 02, 2022	230.06	Capillary Pte. Ltd.
For the year ended March 31, 2024					
M/s Innoven Triple Blue Capital Advisors LLP	March 31, 2023	200.00	April 05, 2023	200.00	Capillary Pte. Ltd. And Capillary Technologies LLC (refer note (a) above)
For the year ended March 31, 2025					
Nil					

Complete details of the Intermediaries and Funding Parties:

Name of the entity	Registered address	Government identification no:	Relationship with the Company
Capillary Pte. Ltd. (Intermediary)	68, Circular Road, # 02-01, Singapore - 049422	202125294W	Subsidiary
Capillary Technologies LLC (Intermediary)	Suite 2060 , 333 South Seventh Street, Minneapolis , Minnesota, 55402	710149300022	Subsidiary
Gameberry Labs Private Limited	78/9, Bellandur Village, Varthur Hobli, Bangalore, Karnataka, India, 560103	U72900KA2017PTC103583	Lender
Avataar Holdings (Funding Party)	Lot 15 A3, 1st Floor, Cybercity, Ebene 72201, Mauritius	177534	Shareholder of the Company
M/s Innoven Triple Blue Capital Advisors LLP (Funding Party)	A/ 805A, The Capital, G- Block, Bandra Kurla Complex, Behind ICICI Bank, Plot C-70, Bandra , Maharashtra - 400051	AAM-6580	Lender

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(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

44 Other statutory information (cont'd)

(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 years ended March 31, 2025, March 31, 2024 and March 31, 2023.

(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 16.

(vii) The Parent Company has not traded or invested in Crypto currency or Virtual Currency during the years ended March 31, 2025, March 31, 2024 and March 31, 2023.

45 Events after reporting period:

The Group has evaluated all events and transactions that occurred subsequent to March 31, 2025, through May 7, 2025, the date on which the Restated Consolidated Financial Information was authorized for issuance by the Board of Directors.

On March 31, 2025, a subsidiary {Capillary Technologies LLC ('CTL')} of the Parent Company entered into a Purchase and Sale agreement with Loyalty Solutions Holdings US Inc. ("LSI"), wherein CTL will acquire the entity named Kognitiv Solutions Inc., a wholly owned subsidiary company incorporated in Ontario, Canada (a wholly owned subsidiary of LSI) and Business Intellectual property rights consisting of Licensed Intellectual Property and Owned Intellectual Property of LSI. The said transaction was subject to regulatory approvals, which were obtained on April 29, 2025. CTL is in the process of getting the appropriate details of assets and liabilities as on May 1, 2025 and hence, the detailed disclosure on acquisition of assets and liabilities as on the date of transfer is not disclosed. The date of transfer is May 1, 2025.

Further, on March 31 2025, CTL entered into an Asset Purchase agreement with Kognitiv US LLC ("Kog US"), wherein CTL has acquired certain assets and liabilities. The said transaction was subject to regulatory approvals, which were obtained on April 29, 2025 and the entity is in the process of being transferred owing to certain customary closing conditions as on the date of the Consolidated Financial Statements. The date of transfer is May 1, 2025.

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 :U72200KA2012PLC063060

Aasheesh Arjun Singh	**Aneesh Reddy**	**Anant Choubey**	**G. Bhargavi Reddy**
Partner	*Managing Director and CEO*	*Executive Director, COO & CFO*	*Company Secretary*
Membership No: 210122	DIN: 02214511	DIN: 06536413	Membership No: - A17091
Place: Bengaluru, India	Place: Bengaluru, India	Place: Bengaluru, India	Place: Bengaluru, India
Date: May 7, 2025	Date: May 7, 2025	Date: May 7, 2025	Date: May 7, 2025

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

Part A: Statement of Restated Adjustments to the Audited Consolidated Financial Statements

I. Reconciliation between total equity as per the audited consolidated financial statements and the restated consolidated financial information

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Total equity as per the audited consolidated financial statements	5,682.47	5,166.10	1,664.43
Adjustments:			
(i) Audit qualification (refer part B below)	-	-	-
(ii) Adjustments due to change in accounting policy/ prior period items/ other adjustments			
(a) Adjustment on account of translation of Goodwill, Intangible assets and Deferred tax liabilities at the closing rate for the respective periods^	-	225.76	208.01
(b) Deferred tax impact on the above adjustment^	-	(2.34)	(6.75)
Total impact of adjustments	**-**	**223.42**	**201.26**
Total equity as per the restated consolidated statement of assets and liabilities	**5,682.47**	**5,389.52**	**1,865.69**

^ Adjustment pertains to restatement of Goodwill, Intangible Assets and Deferred tax liabilities at the closing rate for the respective periods in accordance with Ind AS 21 "Effect of changes in foreign exchange rates". Adjustment pertaining to translations prior to April 1, 2022 amount to ₹ 66.11 million which is also included in the above adjustment.

II. Reconciliation of total comprehensive income/ (loss) for the year between profit/ (loss) as per the audited consolidated financial statements and the restated consolidated financial information

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Net loss after tax as per the consolidated financial statements	201.30	(556.12)	(943.27)
Adjustments:			
(i) Audit qualification (refer part C below)	-	-	-
(ii) Adjustments due to change in accounting policy/ prior period items/ other adjustments			
(a) Impact on other comprehensive income on account of translation of Goodwill, Intangible Assets and Deferred tax liabilities at the closing rate for the respective periods^	-	22.16	135.15
Total impact of adjustments	**-**	**22.16**	**135.15**
Total comprehensive income / (loss) for the year as per the restated consolidated statement of profit and loss	**201.30**	**(533.96)**	**(808.12)**

^ Adjustment pertains to restatement of Goodwill, other intangible assets and its corresponding impact on deferred tax liability at the closing rate for the respective periods in accordance with Ind AS 21 "Effect of changes in foreign exchange rates"

Part B: Material regrouping

No material regroupings were made in the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss and the restated consolidated statements of cash flows for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 in order to bring them in line with the accounting policies and classification as per the consolidated financial statements of the Group as at and for the year ended March 31, 2025, prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1- 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended other than those disclosed below.

(i) The Group had issued share warrants to its customer during FY 2023-24 as part of a revenue contract with a customer. The Group considered such warrants cost as a non-cash consideration paid to acquire a contract with the customer and recognised such warrants cost as unbilled receivable, which will be amortised as a reduction in revenue over the anticipated future cash inflow over the contract period. However, as per Ind AS 115, the aforementioned assets is in the nature of prepayments and accordingly, the Group has reclassified such assets of ₹ 912.16 million from unbilled receivable to other current assets amounting to ₹ 107.13 million and other non-current assets amounting to ₹ 805.03 million.

Part C: Non- adjusting items

Audit qualifications for the respective years, which do not require any adjustments in the Restated Consolidated Financial Information:

1) There are no audit qualifications in the auditor's report on the consolidated financial statements for the year ended March 31, 2025 apart from the below.

The auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2025 and included the following paragraphs in relation to reporting on other legal and regulatory requirements:

(i) In our opinion, proper books of accounts as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that the back-up of the books of accounts and other books and paper maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis by the Holding Company.

(ii) Based on our examination which included test checks, except for instance mentioned below, the Holding Company, in respect of financial year commencing on or after April 1, 2023, has used accounting software for maintaining its books of accounts 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 exceptions given below and furthermore, except for matters mentioned below, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.
The Holding Company has used an accounting software operated by a third-party service provider for maintenance of accounting records. 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 Reports on the Description of Controls, their Design and Operating Effectiveness' ['Type 2 report'] issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information) and ISAE 3402, Assurance Reports on Controls at a Service Organization], we are unable to comment on whether the audit trail feature with respect to the database of this software was enabled and operated throughout the year.

2) There are no audit qualifications in the auditor's report on the consolidated financial statements for the year ended March 31, 2024 apart from the below.

The auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2024 and included the following paragraphs in relation to reporting on other legal and regulatory requirements:

(i) In our opinion, proper books of accounts as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that the back-up of the books of accounts and other books and paper maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis by the Holding Company.

(ii) The Holding Company has used accounting software operated by third-party service providers for the maintenance of accounting and payroll records. In the absence of any information on the existence of the audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Reports on the Description of Controls, their Design and Operating Effectiveness' ['Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3000 (Revised), Assurance Reports on Controls at a Service Organisation], we are unable to comment on whether the audit trail feature with respect to the database of these software were enabled and operated throughout the year.

3) There are no audit qualifications in the auditor's report on the consolidated financial statements for the year ended March 31, 2023 apart from the below.

The auditor's report on the consolidated financial statements of the Group as at and for the year ended March 31, 2023 and included the following paragraphs in relation to reporting on other legal and regulatory requirements:

In our opinion, proper books of accounts as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that the back-up of the books of accounts and other books and paper maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis by the Holding Company.

(All amounts in Indian Rupees (₹) millions, unless otherwise stated)

Part C: Non- adjusting items (cont'd)

Emphasis of matter not requiring adjustment to the Restated Consolidated Financial Information

There are no emphasis of matter paragraphs in the auditor's report on the consolidated financial statements for the year ended March 31, 2025 and in the auditor's report on the financial statements for the year ended March 31, 2024 and March 31, 2023.

Statement / comments included in the Companies (Auditor's Report) Order, 2020 (CARO 2020), which do not require any adjustments in the Restated Consolidated Financial Information:

For the year ended March 31, 2025:

a) There are no statements / comments in the auditor's report (both standalone and consolidated financial statements) with respect to CARO 2020 for the year ended March 31, 2025.

For the year ended March 31, 2024:

a) There are no statements / comments in the auditor's report with respect to CARO 2020 for the year ended March 31, 2024 except the following:

(ix)(a)- According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon, except for the below;

Nature of borrowing	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay	Remarks, if any
Indian Rupee term loan from Body Corporate	Innoven Capital India Private Limited	6.45	Interest	1	Paid on July 12, 2023.
Non convertible debentures	Innoven Triple Blue Capital Advisors LLP	7.15	Interest	4	Paid on July 5, 2023.
Non convertible debentures	Innoven Triple Blue Capital Advisors LLP	7.39	Interest	1	Paid on August 2, 2023.
Non convertible debentures	Innoven Triple Blue Capital Advisors LLP	6.79	Interest	3	Paid on October 4, 2023.
Non convertible debentures	Innoven Triple Blue Capital Advisors LLP	30	Principle	5	Paid on October 6, 2023.

(xvii) - The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 279.12 million and ₹ 130.61 million respectively.

For the year ended March 31, 2023

a) There are no statements / comments in the auditor's report with respect to CARO 2020 for the year ended March 31, 2023 except the following:

(ix)(a)- According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon, except for the below:

Nature of borrowing	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay	Remarks, if any
Indian Rupee term loan from Body Corporate	Innoven Capital India Private Limited	10.75	Principal and Interest	7	Amount paid on March 8, 2023 and subsequently, the lender has condoned the delay in payment of principal and interest

(ix)(d)- In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes except for short term borrowings from body corporates amounting to ₹ 230.06 million which has been utilized for investment in subsidiaries.

(ix)(e)- According to the information and explanations given to us and on an overall examination of the standalone 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, except for the following:

Nature of fund taken	Name of lender	Amount involved	Name of the subsidiary	Relation	Nature of transaction for which funds were utilized
Short-term borrowings from body corporate	Gameberry Labs Private Limited	230.06	Capillary Pte. Ltd	Wholly owned subsidiary	Investments in equity shares

(xvii) - The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 130.61 million and ₹ 185.42 million respectively.

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

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 :U72200KA2012PLC063060

Aasheesh Arjun Singh
Partner
Membership No: 210122
Place: Bengaluru, India
Date: May 7, 2025

Aneesh Reddy Boddu
Managing Director and CEO
DIN: 02214511
Place: Bengaluru, India
Date: May 7, 2025

Anant Choubey
Executive Director, COO & CFO
DIN: 06536413
Place: Bengaluru, India
Date: May 7, 2025

G. Bhargavi Reddy
Company Secretary
Membership Number - A17091
Place: Bengaluru, India
Date: May 7, 2025

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company, our Subsidiaries, namely Capillary Pte. Limited, Capillary Technologies Europe Limited, Capillary Brierley Inc., Capillary Technologies LLC, and Capillary Dubai, as at and for the Fiscals 2025, 2024 and 2023, respectively ("**Group's Financial Statements**") are available at https://www.capillarytech.com/investors/.

Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Group's Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Group's Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, or any entity in which its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor the BRLMs or the Promoters, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Group's Financial Statements or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As on/ For Fiscal 2025	As on/ For Fiscal 2024	As on/ For Fiscal 2023
Basic Earnings/ (loss) per Equity Share from continuing operations (₹)	1.93	(12.15)	(17.63)
Diluted Earnings/ (loss) per Equity Share from continuing operations (₹)	1.91	(12.15)	(17.63)
Net Worth (₹ in million)	4,814.24	4,521.29	997.46
Return on Net Worth (%)	2.85%	(21.52)%	(135.93)%
Net Asset Value Per Equity Share (₹)	65.03	79.20	19.77
Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (EBITDA) (₹ in million)	785.73	(14.91)	(583.39)

The ratios have been computed as under:

1. *Basic earnings per share (₹) is calculated by dividing Profit/ (loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during Fiscal 2025, 2024 and 2023 was 73.25 million, 56.27 million and 50.24 million respectively.*
2. *Diluted earnings per share (₹) is calculated by dividing Profit/ (loss) attributable to equity shareholders of the Parent Company for basic/ diluted EPS for continuing operations by the weighted average number of equity shares adjusted for the effect of dilution. Weighted average number of equity shares adjusted for the effect of dilution are computed as a sum of weighted average number of equity shares outstanding during the year and effect of dilution due to employee share options. Weighted average number of equity shares adjusted for the effect of dilution during Fiscal 2025, 2024 and 2023 was 74.03 million, 57.09 million and 50.46 million respectively.*
3. *"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve For further details, see Note 13 and 14 of the "Restated Consolidated Financial Information" on page 391 and 392 and "Other Financial Information - Reconciliation of Non-GAAP Measures" on page 422.*
4. *Return on Net Worth (%) is Restated profit/ (loss) for the year for the Fiscal divided by the average of Net Worth of the relevant Fiscal and previous Fiscal.*
5. *Net asset value per equity share is Net worth as of the end of the Fiscal divided by the weighted average outstanding equity shares considered for diluted EPS as the end of the Fiscal. For further details, see Note 30 of the "Restated Consolidated Financial Information" on page 399.*
6. *EBITDA refers to Earnings before interest expense, taxes, depreciation and amortisation and Exceptional Items as disclosed in our Restated Financial Statements.*

Reconciliation of Non-GAAP measures

For details in relation to reconciliation of non-GAAP measures, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures - Reconciliation of Non-GAAP Measures*" on page 430.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 25. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations and financial condition" on pages 39 and 423, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information for Fiscal 2025, 2024 and 2023 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 367. During Fiscal 2025, we changed our business model for campaign services and entered into new arrangements with our service providers pursuant to which, we act as an agent and not as a principal for campaign services transactions. Accordingly, the revenue generated from campaign services during Fiscal 2025 has been recorded on a net basis (i.e., net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from cost of campaign services was recognized on a gross basis as we acted as principals for campaign services transactions. Accordingly, the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss for the said Fiscals. To ensure comparability of revenue from operations for the years presented in our Restated Consolidated Financial Information, 'Net Revenue' (defined as revenue from operations less cost of campaign services) has also been disclosed for all the presented years in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Customer Loyalty and Engagement Software Market Overview" dated June, 2025 (the "**Zinnov Report**") prepared and issued by Zinnov, appointed by us on February 19, 2025 and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the Zinnov Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the Zinnov Report is available on the website of our Company at https://www.capillarytech.com/investors/. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid for by our Company for such purpose." on page 81. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 21.*

OVERVIEW

For further information, see "*Our Business*" on page 246.

PRESENTATION OF FINANCIAL INFORMATION

Our Restated Consolidated Financial Information for Fiscals 2025, 2024, 2023 are derived from our audited financial statements as at and for the years ended March 31, 2025, 2024, 2023 which were prepared in accordance with Indian Accounting Standard as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and restated in accordance with the SEBI ICDR Regulations from time to time and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our ability to retain existing customers and acquire new customers

Our revenue from operations is significantly dependent on our ability to maintain our relationship with our key customers and expand our existing customer base. We serve a number of customers that includes both enterprise and small and medium sized businesses across industries and geographies and as of March 31, 2025, we served Enterprise Customers (defined as customers contributing more than ₹ 8.00 million in revenue from operations in a Fiscal) including 16 Global Fortune 500 companies' present across 46 countries. Certain of our key customers include Tata Digital, ABFRL, Dominos Pizza Indonesia, PT Blue Bird Tbk, Aditya Birla Fashion Limited, Arvind Fashions Limited, Metro Brands Limited, Puma Sports India Private Limited, Vishal Mega Mart and InterGlobe Aviation Limited.

Set forth below are certain details regarding revenues derived from our top customer, top five customers and top ten customers for the years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from top customer* (₹ million)	989.28	16.54%	358.11	6.82%	284.17	11.13%
Revenue from top five customers* (₹ million)	2,593.00	43.35%	1,604.65	30.56%	930.60	36.45%
Revenue from top ten customers* (₹ million)	3,511.79	58.71%	2,502.10	47.66%	1,392.17	54.53%

**References to 'Customer' are to customers in a particular Fiscal and does not refer to the same customers across all Fiscals.*

We typically enter into long-term engagements with our customers and generate significant revenues from repeat business based on our successful prior engagements. The agreements we enter into with our customers are typically renewed/ automatically renewed, either on an annual basis or in some cases are for a period of three to ten years or unless terminated by either party to an agreement. The minimum term of contracts with the Company's top 10 customers during Fiscal 2025 is three years. Our long-term relationships with marquee clientele is demonstrated by the average length of our relationship of over 2.5 years with our top 10 customers, as of March 31, 2025.

Maintaining customer relationships is crucial for our growth and profitability. If customers terminate contracts, negotiate adverse terms, or choose not to renew, it could significantly impact our business. Factors such as economic conditions, socio-political situations, financial changes, and internal restructuring can affect our ability to retain customers. The loss of any major customer or a significant decrease in services provided could materially affect our financial performance.

We have expanded into new verticals in the last three Fiscals such as healthcare with an American healthcare company as our customer that provides technology services, pharmacy care services and various direct healthcare services and also broadened our customer base in the CPG and BFSI verticals with the addition of Polycab India Limited ("**Polycab**"), an Indian adhesives manufacturing company and a European bank offering financial services focused on supporting personal and business growth. Contribution to our revenues from healthcare, consumer packaged goods and BFSI and telecommunications verticals increased from 16.65% in Fiscal 2023 to 46.48% in Fiscal 2025. For further information, see " – *Strong Sales Engine and Partnership Network Resulting in Addition of New Brands*" on page 266. Acquiring new customers and realizing anticipated benefits involves several challenges. These challenges include high cost of acquisition, competition from competitors, delays in onboarding, and time-consuming integration activities. We aim to acquire and retain new customers and in particular Enterprise Customers by, among others, enhancing the quality and efficiency of our existing products and solutions, offering additional innovative products and solutions and implementing effective sales strategies.

Inorganic expansion in the US through strategic acquisitions

The North American loyalty management market is estimated to be USD 7.8 billion in 2024. Numerous small to mid-sized companies have cultivated dedicated customer bases within the loyalty sector, However, their limited resources often hinder their ability to invest in modernizing platforms. Many of these smaller firms operate on outdated systems and lack the capital necessary for essential technological upgrades, making them prime candidates for acquisition by larger entities seeking to enhance their service offerings. (*Source: Zinnov Report*) We believe we have the capability to further penetrate into this market with our API-first platform built for scale, already powering loyalty programs for 16 Fortune 500 companies, as of March 31, 2025.

We target companies with Enterprise Customers which have license subscription revenue models, with enterprise sales and prevalent presence in North America, for acquisition. Technological obsolescence and investment constraints remain an urgent issue in this fragmented market with smaller firms operating on outdated systems and lacking the capital necessary for essential technological upgrades. (*Source: Zinnov Report*) By migrating acquired customers to our platform, we aim to boost EBITDA, gross margins and generate additional free cash flows. We achieve these objectives by: (a) transitioning all central functions which include finance, human resources, information security, information technology support, work place services and other corporate functions to India to ensure a lower cost base; (b) transitioning parts of research and technology development and maintenance functions to India; and (c) migration of technology platform where most service-based deliverables are automated through software solutions with limited reliance on dedicated human workforce. Given the nature of the United States loyalty market, we evaluated acquisition opportunities and completed our acquisition of Persuade Loyalty, LLC (*renamed to Capillary Technologies LLC*) and Persuade Holdings, Inc. (which was since wound-up on June 2, 2023) (together "**Persuade Group**") in the United States in October 2021. Pursuant to acquiring Persuade Group in September 2021, we have experienced significant growth in North America. Persuade Group's revenues increased from ₹ 505.52 million in Fiscal 2023 to ₹ 1,078.08 million in Fiscal 2024 and ₹ 2,121.95 million in Fiscal 2025, representing 19.80%, 20.53% and 35.47% of our revenue from operations in such years, respectively. Given Persuade Group's strong customer base, including Fortune 500 companies, and cash-positive operations, we intend to further invest in North America by expanding partnerships with system integrators and channel partners. For instance, the Persuade Group acquisition and our subsequent partnership with one channel partner in the United States has enabled us to enhance our capabilities and expand our reach in new verticals such as healthcare, with the notable entry of an American healthcare company that provides technology services, pharmacy care services and various direct healthcare services.

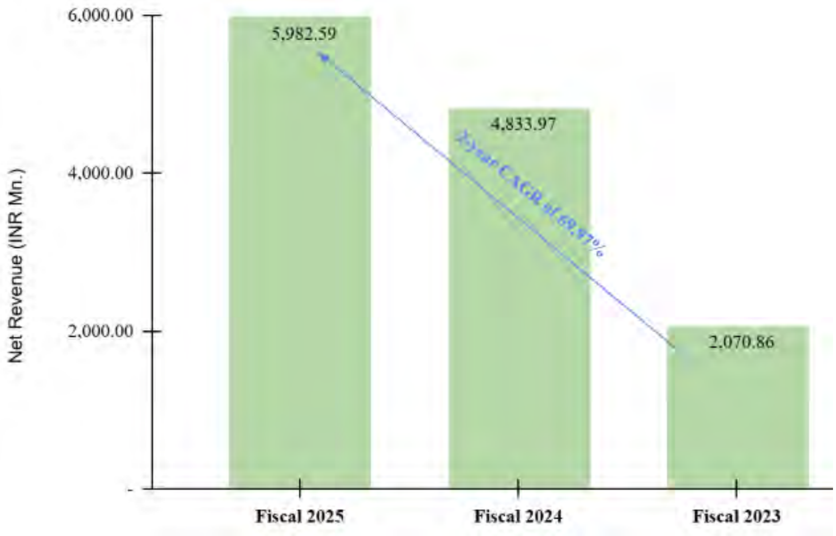
We acquired Brierley and Partners, Inc. (*renamed as Capillary Brierley Inc.*) ("**B+P**") with effect from April 1, 2023 to further strengthen our presence in North America and enhance our consulting capabilities. B+P has over 30 years of experience in loyalty strategy and design consulting and has enabled us to enhance our market presence and customer reach. Additionally, we developed a new product named *Rewards+*, utilising the assets of Digital Connect business acquired from Tenerity LLC in June 2023 with the aim to expand our presence in the European Union. Through this acquisition, we have also been able to enhance our product suite with a rewards and redemption platform and have forayed into the EU market, offering us significant growth potential and enabling us to offer a comprehensive loyalty solution. With our last three acquisitions outside India, we have demonstrated our ability to migrate businesses onto our platform and will continue exploring inorganic growth opportunities. Recently, we acquired certain shares/ assets and liabilities from Kognitiv, a loyalty technology provider operating primarily in the North American markets. This acquisition provides us with an enterprise-grade loyalty SaaS solution that powers programs across multiple sectors, including retail, travel, auto and hospitality, BFSI and telecommunications, supporting our expansion in North America and Europe, the Middle East and Africa.

We expect to continue making acquisitions and entering into new business ventures or initiatives as part of our strategy. For further information about our inorganic growth strategy, see "*Our Business – Strategies – Expand Presence in the United States and Pursue Further acquisitions in North America and Other Regions*" on page 274. Integrating acquired businesses successfully and realizing anticipated benefits involves several challenges. These include potential disagreements regarding migration plans of customers, loss of customers on account of a failure to migrate, time-consuming integration activities, and unexpected difficulties. In addition, the inability to achieve anticipated operating synergies, diversion of management attention, unforeseen liabilities, and integration costs could also impact our ability to successfully integrate such acquisitions. Additionally, target businesses may have undiscovered liabilities or adverse operating issues that we may not discover as part of our diligence process. Prior owners' non-compliance with laws or contractual obligations may also result in financial loss or reputational harm. Towards this, we intend to continue to evaluate potential acquisitions in order to achieve anticipated benefits and avoid incurring excess costs.

The successful and timely integration of such acquisitions will enable us to capture relevant synergies from team, operations and technology teams and from a profitability perspective. We will seek to integrate such acquired businesses into our current operations in a manner that maximizes such synergies.

Driving organic growth from existing customers

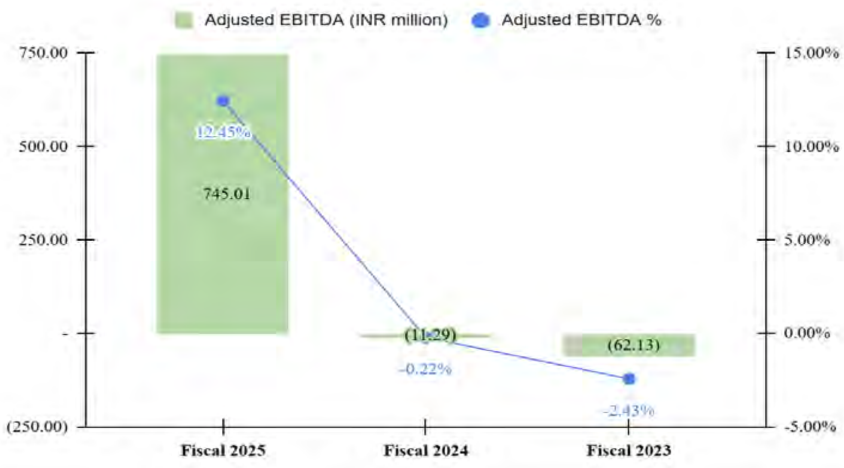
We are committed to driving organic growth through increasing revenues from our existing customers and increasing our Net Revenue Retention ("**NRR**") rate. Our NRR rate was 121.25%, 112.68% and 139.01%, for Fiscals 2025, 2024 and 2023, respectively. We invest significant resources in understanding the needs and trends of our customers and markets through research and development efforts. This helps us to have a unique perspective that we can use to improve our offerings for them. The chart below reflects our year-on-year growth.



Ability to improve our gross margins, profitability and sales efficiency

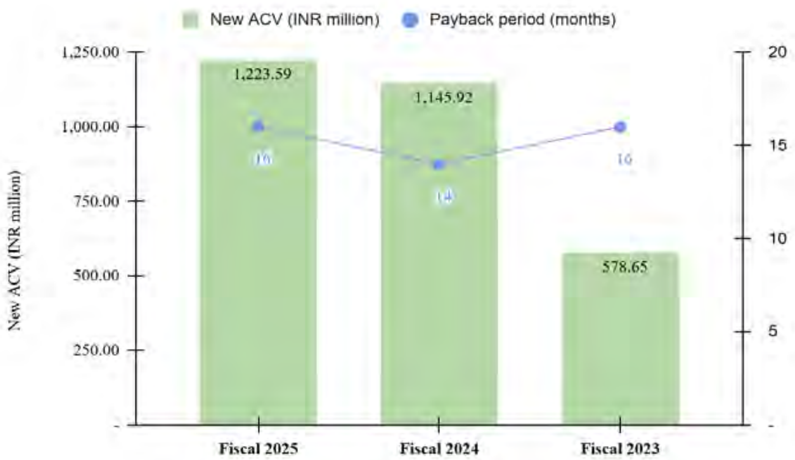
Our results of operations depends on our ability to improve our technology and other central functions and enhance our profitability and sales efficiency. In order to improve profitability, we deployed a business model that is anchored by multi-year subscription agreements, ensuring a stable and predictable revenue stream. Our strategic focus on cross-selling and upselling has enabled us to deepen our relationships with existing customers. Our ability to attract new customers and maintain existing customers, depends in large part on our ability to continually enhance and improve our service offerings, timing of development, integrations, and capabilities we offer, our continued market acceptance, successfully develop new features, integrations, and capabilities to enhance our services to meet requirements of our customers, in a timely manner or at all, and our ability to identify use cases for our existing features and capabilities that are attractive to different categories of customers. More than one-third of our New ACV is derived from farming existing customers, while we also expand into additional geographies and brands within the same enterprise. Our efforts in new customer acquisition have continued to focus on Enterprise Customers in the United States, Europe and Asia. We believe we have a substantial opportunity to grow our customer base and our ability to establish and strengthen customer relationships and expand the scope of our operations will be an important factor in our future growth.

Our revenue from operations was ₹ 5,982.59 million, ₹ 5,251.00 million and ₹ 2,553.72 million in Fiscal 2025, 2024 and 2023, respectively. In Fiscals 2025, 2024 and 2023, our New ACV was ₹ 1,223.59 million, ₹ 1,145.92 million and ₹ 578.65 million, respectively, while our Subscription Gross Margin were 66.36%, 65.99% and 69.66%, respectively in similar periods. We witnessed a decline in our Subscription Gross Margin in Fiscal 2024 due to acquisitions undertaken in the particular Fiscal, where lower gross margins were observed in acquired customers running on low-technology and service-heavy legacy platforms. Our Subscription Gross Margin subsequently rebounded in Fiscal 2025, on account of margin stabilization post customer migration following our acquisitions. Our Adjusted EBITDA Margin (Net Revenue) improved from (3.00)% in Fiscal 2023 to (0.23)% in Fiscal 2024 to 12.45% in Fiscal 2025. This turnaround reflects our growth and operational focus as we have scaled through our organic and inorganic growth paths, with strategic cost optimization beginning to yield results enabling margins to expand meaningfully. For further information, see "*Our Business – Our Growth Path*" on page 253. The infographic below depicts our Adjusted EBITDA and Adjusted EBITDA Margins for the years indicated.



Notes:
[*]Adjusted EBITA is computed as EBITDA as per restated financial statements plus employee stock option expenses minus Interest income on bank deposits, Interest income on security deposits, Interest income on corporate deposits, Gain on fair valuation of investments carried at fair value through profit and loss, Profit on sale of investments, Profit on sale of property, plant and equipment (net), Interest income on income tax refund.
^Adjusted EBITDA Margin is computed as percentage of Adjusted EBITDA divided by Revenue from operations for the respective Fiscal.

We intend to continue to grow by increasing our New ACV through our go-to-market initiatives. To deliver on this strategy, in addition to our account-based marketing efforts, we are investing in partnerships with large system integrators and consulting companies. We have also refocused our sales teams to target large enterprises. In Fiscals 2025, 2024 and 2023, New ACV added was ₹ 671.53 million, ₹ 335.07 million and ₹ 132.75 million, respectively. The infographic below depicts New ACV and Payback Period for the years indicated.



Notes:
[*]New ACV is calculated as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services.
^Payback Period is computed as CAC divided by the result of New ACV multiplied by Subscription Gross Margin earned during the respective Fiscal. The overall result then is represented in number of months by multiplying the same by twelve.

Product, revenue and geographic mix

We generate revenue primarily from providing SaaS-based products and solutions to our customers. Our product suite provides an omni-channel experience for consumers and helps enhance the returns on investment for our customers. Our single point product offering includes *Loyalty+*, loyalty management, connected engagement platform (*Engage+*), predictive analytics platform (*Insights+*), rewards management platform (*Rewards+*) and a CDP. We provide campaign services through Engage+, our AI-powered solution that assists customers with end-to-end campaign management. We have enhanced our product suite with the addition of *Rewards+*, a rewards and redemption platform, enhancing our ability to offer personalized and engaging customer experiences.

A substantial portion of our customers are conglomerates and businesses engaged in retail, consumer packaged goods ("**CPG**"), healthcare, apparel, departmental stores, luxury and lifestyle, travel, auto and hospitality, and energy retail verticals. We provide a full-spectrum loyalty management platform designed to address a wide range of use-cases across industries. Our business is therefore largely dependent on the demand for our services from customers in these industries. The following table presents the contribution from verticals to our revenues in the relevant years:

Industry	Fiscal 2025				Fiscal 2024				Fiscal 2023			
	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Net Revenue (₹ million)	Percentage of Net Revenue (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Net Revenue (₹ million)	Percentage of Net Revenue (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Net Revenue (₹ million)	Percentage of Net Revenue (%)
Retail	1,687.94	28.21%	1,687.94	28.21%	1,933.79	36.83%	1,632.57	33.78%	1,150.13	45.04%	821.25	39.66%
Healthcare	1,212.75	20.27%	1,212.75	20.27%	375.74	7.16%	368.07	7.61%	131.40	5.15%	128.44	6.20%
BFSI and Telecommunications	932.97	15.60%	932.97	15.60%	662.39	12.61%	662.39	13.70%	-	-	-	-
Consumer Packaged Goods	635.18	10.62%	635.18	10.62%	484.70	9.23%	476.90	9.87%	293.91	11.51%	278.54	13.45%
Travel, Automobile and Hospitality	588.15	9.83%	588.15	9.83%	652.12	12.42%	652.12	13.49%	99.18	3.88%	99.18	4.79%
Energy Retail	428.96	7.17%	428.96	7.17%	513.10	9.77%	467.65	9.67%	469.20	18.37%	415.57	20.07%
Conglomerate	418.73	7.00%	418.73	7.00%	527.80	10.05%	485.59	10.05%	305.27	11.95%	250.99	12.12%
Food and beverages	77.91	1.30%	77.91	1.30%	101.35	1.93%	88.68	1.83%	104.63	4.10%	76.89	3.71%
Total	**5,982.59**	**100.00%**	**5,982.59**	**100.00%**	**5,251.00**	**100.00%**	**4,833.97**	**100.00%**	**2,553.72**	**100.00%**	**2,070.86**	**100.00%**

Our revenues are accordingly impacted by developments in such verticals and our results of operations are particularly sensitive to factors affecting the geographies where we operate including but not limited to competition, regulatory actions, pricing pressures, fluctuations in the demand for our platform, products or solutions. Further, a portion of our revenue is dependent on campaign revenues, we may be impacted by any change in marketing plans of our customer, changes in budget allocation or a decision by customers to use alternate modes of campaign management. Any disruptions in these verticals or shifts in revenue streams could significantly impact our financial performance. The interconnected nature of our revenue sources means that adverse changes in one area can affect our overall results of operations.

Our results of operations also depend on our ability to cater to the various international markets we serve. As of March 31, 2025, we had 13 offices including in key markets such as India, United States, United Kingdom, United Arab Emirates, Singapore, Indonesia, Malaysia, and Vietnam, and provided services in 46 countries. The following table presents the contribution by geography to our revenues in the relevant years:

	Fiscal 2025				Fiscal 2024				Fiscal 2023			
	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Net Revenue (₹ million)	Percentage of Net Revenue (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Net Revenue (₹ million)	Percentage of Net Revenue (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Net Revenue (₹ million)	Percentage of Net Revenue (%)
North America[(1)]	3,385.51	56.59%	3,385.51	56.59%	2,525.01	48.09%	2,525.01	52.23%	510.84	20.00%	510.84	24.67%
Asia-Pacific[(2)]	1,446.09	24.17%	1,446.09	24.17%	1,741.24	33.16%	1,395.86	28.88%	1711.80	67.03%	1,348.63	65.12%
EMEA[(3)]	1,150.99	19.24%	1,150.99	19.24%	984.75	18.75%	913.10	18.89%	331.08	12.97%	211.39	10.21%
Total	**5,982.59**	**100.00%**	**5,982.59**	**100.00%**	**5,251.00**	**100.00%**	**4,833.97**	**100.00%**	**2,553.72**	**100.00%**	**2,070.86**	**100.00%**

(1) *North America includes United States, Mexico and Canada.*

(2) *Asia-Pacific includes India, South-East Asia and Japan.*

(3) *EMEA includes the Middle East and European Union.*

Variations in economic conditions, political stability, and regulatory environments across regions can influence our operations and financial outcomes. Regions with robust economic growth may offer greater opportunities for subscription and usage-based revenue, while economic downturns pose challenges. Differences in consumer behavior and preferences necessitate tailored marketing and sales strategies. Additionally, logistical considerations, such as data center locations and local support infrastructure, vary by region, impacting our cost structure and profitability.

Ability to enhance operating efficiency through investments in technology

Our results of operations have been, and will continue to be, affected by our ability to improve our operating efficiency, especially through investment in technology. As our business continues to grow, it is essential to improve operating efficiency to maintain the competitiveness of our technology platform, AI-powered capabilities, and advanced analytics. We intend to continue to invest in further developing and applying advanced technologies in the fields of R&D and AI-driven product development.

In Fiscals 2025, 2024, and 2023, we invested ₹ 1,286.08 million, ₹ 1,472.33 million, and ₹ 641.61 million, respectively, in research and design, product and platform development and maintenance, which accounted for 21.50%, 28.04%, and 25.12% of our revenue from operations in the respective Fiscals. The increase in Fiscal 2024 was on account of platform migrations and transitioning central functions and research and technology development and maintenance functions to India, pertaining to our earlier acquisition of the Persuade Group in Fiscal 2022. For instance, we have developed AI-driven personalization tools, a next-generation CDP, and a promotion engine that differentiate us from competitors, by offering CDP as a complementary solution, enhancing our overall service offering. By leveraging AI and machine learning, we help brands gain actionable insights, improve targeting, and create more effective marketing strategies. We will continue expanding our product suite by integrating predictive analytics, machine learning models for customer insights, and automated engagement workflows. Going forward, we intend to continue to prudently invest resources in technology in a cost-effective manner to support the long-term growth of our business.

Fluctuations in currency exchange rates

We are affected by fluctuations in currency exchange rates with respect to our contracts with our customers. A majority of our revenues are generated in currencies other than the Indian Rupee. The Indian rupee is our functional currency and our Restated Consolidated Financial Information are prepared in Indian rupees. However, the US dollar, Pound Sterling, Euro, Australian Dollar, Hong Kong Dollar, Singapore Dollar, Bangladeshi Taka, Emirati Dirham, Japanese Yen, Renminbi, Thai Baht, Philippine Peso, Malaysian Ringgit and Canadian Dollar are the currencies for our operations across geographies outside India. We translate foreign currencies into Indian rupees, our monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains or losses arising on account of realisation or settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Restated Consolidated Statement of Profit and Loss. In Fiscal 2025 and 2024, we recorded loss on account of foreign exchange fluctuations (net) of ₹ 7.24 million and ₹ 26.85 million, while in Fiscal 2023, we recorded gain on account of foreign exchange fluctuations (net) of ₹ 25.40 million, respectively, with such increases and decreases being mainly driven by fluctuations in the foreign currency.

Depreciation of the Indian Rupee against the U.S. Dollar and other foreign currencies may affect our results of operations including by increasing the cost of financing any debt denominated in foreign currency that we may enter into or proposed capital expenditure, if any, in foreign currencies. We hedge a substantial portion of our foreign currency exposure naturally through our overseas subsidiaries where the revenue and costs are in foreign currencies. We also use foreign currency forward contracts to hedge risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions, we designate these hedging instruments as cash flow hedges.

NON-GAAP MEASURES

Net Revenue, Revenue (net of campaign service cost), EBITDA, EBITDA Margin, EBTIDA Margin (Net Revenue), Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA Margin (Net Revenue), Restated Profit/(Loss) before tax Margin, Restated Profit / (Loss) before tax (Net Revenue) Margin, Restated Profit / (Loss) for the Year , Restated Profit / (Loss) for the Year (Net Revenue) Margin, Debt to Equity Ratio, Return on Capital Employed, Net Worth, Return on Net Worth and Net Asset Value per Equity Share (together, "**Non-GAAP Measures**"), presented in this section is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of Non-GAAP Measures

Reconciliation of Net Revenue

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million)		
Retainership and other services	4,811.05	4,021.29	1,564.31
Installation revenue	1,100.31	746.69	419.56
Revenue from campaign services on a principal basis	-	483.02	569.85
Revenue from campaign services on an agent basis	71.23	-	-
Revenue from operations	**5,982.59**	**5,251.00**	**2,553.72**
Less: Cost of campaign services	-	(417.03)	(482.86)
Net Revenue*	**5,982.59**	**4,833.97**	**2,070.86**

* *The aforementioned computation of Net Revenue does not impact the recognition and measurement principles in the Restated Consolidated Financial Information, as the revenue from campaign services is recognised on a principal basis for Fiscal 2024 and Fiscal 2023 as per Ind AS 115 "Revenue from contracts with customers*

Reconciliation of Revenue (net of campaign service cost)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million)		
Revenue from campaign services on a principal basis	-	483.02	569.85
Revenue from campaign services on an agent basis	71.23	-	-
Less: Cost of campaign services	-	(417.03)	(482.86)
Revenue (net of campaign service cost)	**71.23**	**65.99**	**86.99**

Reconciliation of EBITDA, EBITDA Margin, EBTIDA Margin (Net Revenue), Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA Margin (Net Revenue) to Restated Profit / (Loss) for the Years

The table below reconciles the profit / (loss) for the years as per the Restated Consolidated Financial Information to EBITDA, EBTIDA (Net Revenue), EBITDA Margin, Adjusted EBITDA, Adjusted EBTIDA (Net Revenue), and Adjusted EBITDA Margin. EBITDA is calculated as profit / (loss) before tax and total tax credit plus finance costs, depreciations and amortisation expenses, EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations, and EBTIDA Margin (Net Revenue) is calculated as EBITDA as a percentage of Net Revenue for the respective Fiscal. Adjusted EBITDA is calculated as profit / (loss) for the year as per the Restated Consolidated Financial Information plus tax expense, finance cost, depreciation and amortisation expenses, intangible assets under development written off, exceptional (loss), employee stock option expenses, loss on account of foreign exchange fluctuations (net) and advances / deposits written off less other income, interest income from bank deposits, interest income from security deposits, interest income from corporate deposits, interest income on income tax refund, exceptional gains, gain on account of foreign exchange fluctuations (net) while Adjusted EBITDA Margin is calculated as Adjusted EBITDA as a percentage of revenue from operations and Adjusted EBITDA Margin (Net Revenue) is calculated as Adjusted EBITDA as a percentage of Net Revenue for the respective Fiscal.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Restated profit/ (loss) for the year from continuing operations (A)	141.54	(683.51)	(885.56)
Add: Tax expense (B)	(34.72)	(69.09)	(63.33)
Add: Finance costs (C)	77.88	177.08	112.39
Add: Depreciation and amortization expenses (D)	601.03	560.61	366.93
Less: Exceptional items (E)	-	-	113.82

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (EBITDA) (F) = (A)+(B)+(C)+(D)-(E)	**785.73**	**(14.91)**	**(583.39)**
Revenue from operations (G)	5,982.59	5,251.00	2,553.72
EBITDA Margin % (H) = (F) / (G)	**13.13 %**	**(0.28%)**	**(22.84%)**
Net Revenue (I)	5,982.59	4,833.97	2,070.86
EBITDA Margin (Net Revenue) % (J = (F) / (I))	**13.13 %**	**(0.31%)**	**(28.17%)**

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (EBITDA) (A)	**785.73**	**(14.91)**	**(583.39)**
Less: Interest income on bank deposits (B)	13.30	12.64	5.44
Less: Interest income on security deposits (C)	0.62	0.35	0.10
Less: Interest income on corporate deposits (D)	25.18	6.50	-
Less: Interest income on income tax refund (E)	2.05	2.58	9.71
Less: Gain on fair valuation of investments carried at fair value through profit and loss (F)	-	9.59	-
Less: Profit on sale of investments (G)	76.53	17.55	-
Less: Profit on sale of property, plant and equipment (H)	0.62	0.51	0.06
Add: Share based payments (I)	77.69	53.34	536.57
Adjusted Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (Adjusted EBITDA) (J= A-B-C-D-E-F-G-H+I)	**745. 01**	**(11.29)**	**(62.13)**
Revenue from operations (K)	5,982.59	5,251.00	2,553.72
Adjusted EBITDA Margin (%) (Adjusted EBITDA as a percentage of Revenue from operations) (L = (J) / (K))	**12.45%**	**(0.22)%**	**(2.43)%**
Net Revenue (M)	5,982.59	4,833.97	2,070.86
Adjusted EBITDA Margin (%) (Adjusted EBITDA as a percentage of Net Revenue) (N = (J) / (M))	**12.45%**	**(0.23)%**	**(3.00)%**

Reconciliation of Restated Profit / (Loss) Before Tax Margin and Restated Profit / (Loss) Before Tax (Net Revenue) Margin

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Restated profit / (loss) before tax (A)	**106.82**	**(752.60)**	**(948.89)**
Revenue from operations (B)	5,982.59	5,251.00	2,553.72
Restated profit / (loss) before tax margin (%) (Restated profit / (loss) before tax as a percentage of revenue from operations) (C = A / B)	**1.79%**	**(14.33%)**	**(37.16%)**
Net Revenue (D)	5,982.59	4,833.97	2,070.86
Restated profit / (loss) before tax margin (Net Revenue) (%) (Restated Profit / (loss) before tax as a percentage of Net Revenue) (E = A / D)	**1.79%**	**(15.57)%**	**(45.82)%**

Reconciliation of Restated Profit / (Loss) for the Year and Restated Profit / (Loss) for the Year (Net Revenue) Margin

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)		
Restated Profit / (Loss) for the Year (A)	**132.80**	**(593.78)**	**(877.19)**
Revenue from operations **(B)**	5,982.59	5,251.00	2,553.72
Restated Profit / (Loss) for the Year Margin (%) (Restated Profit / (Loss) for the Year as a percentage of revenue from operations) (C = A / B)	**2.22%**	**(11.31%)**	**(34.35%)**
Net Revenue (D)	5,982.59	4,833.97	2,070.86
Restated Profit / (Loss) for the Year Margin (Net Revenue) (%) (Restated Profit / (Loss) for the Year as a percentage of Net Revenue) (E = A / D)	**2.22%**	**(12.28%)**	**(42.36%)**

Reconciliation of Debt to Equity Ratio

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	(₹ million, except ratios)		
Non-current borrowings (A)	12.82	41.69	432.06
Current borrowings (B)	988.12	729.97	1,042.65
Borrowings (C) = (A) + (B)	**1,000.94**	**771.66**	**1,474.71**
Total equity (D)	5,682.47	5,389.52	1,865.69
Debt / Equity Ratio (E) = (C) / (D)	**0.18**	**0.14**	**0.79**

Reconciliation for Return on Capital Employed

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	(₹ million, except ratios)		
Restated profit/ (loss) before exceptional items and tax from continuing operations (A)	106.82	(752.60)	(1,062.71)
Add: Finance costs (B)	77.88	177.08	112.39
Earnings before interest expense, taxes before exceptional items (EBIT) C=(A+B)	**184.70**	**(575.52)**	**(950.32)**
Total equity (D)	5,682.47	5,389.52	1,865.69
Add: Borrowings (E)	1,000.94	771.66	1,474.71
Capital Employed F=(D+E)	**6,683.41**	**6,161.18**	**3,340.40**
Return on capital employed G=(C/F)	**2.76%**	**(9.34)%**	**(28.45)%**

Reconciliation of Net Worth and Return on Net Worth

Particulars	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
	(₹ million, except percentages)		
Equity share capital (A)	146.65	146.46	105.79
Other equity excluding capital reserve (B)	4,667.59	4,374.83	891.67
Net Worth (C) = (A + B)	**4,814.24**	**4,521.29**	**997.46**
Average Net Worth* (D)	**4,667.77**	**2,759.38**	**645.33**
Restated profit/ (loss) for the year (E)	**132.80**	**(593.78)**	**(877.19)**
Return on Net Worth (%) (F) = (E / D)	**2.85%**	**(21.52)%**	**(135.93)%**

**Average Net Worth = Average of Net Worth of the relevant Fiscal and previous Fiscal.*

Reconciliation of Net Asset Value per Equity Share

Particulars	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
	(₹ million, except number of shares)		
Equity share capital (A)	146.65	146.46	105.79
Other equity excluding capital reserve(B)	4,667.59	4,374.83	891.67
Net Worth (C) = (A + B)	**4,814.24**	**4,521.29**	**997.46**
Weighted average outstanding equity shares considered for diluted EPS as the end of the year (million) (D)	74.03	57.09	50.46
Net Asset Value per Equity Share (E) = (C / D)	**65.03**	**79.20**	**19.77**

MATERIAL ACCOUNTING POLICIES

Business combinations including 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 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 it's 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.

Revenue recognition

Revenue from operations is recognised when control of the promised services are 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:

- Identify the contract with a customer
- Identify the underlying performance obligation
- Determining the transaction price
- Allocating the transaction price to the performance obligation
- 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

- **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.

- **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 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 goods or 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.

- **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 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 Ind AS 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 it is acting as principal or agent.

Other income

- **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 Restated Consolidated Statement of Profit and Loss.

- **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.

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 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 relate less the costs that relate directly to providing the goods and that have not been recognised as expenses. The maximum period over which the 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).

Taxes on income

Current income tax

Tax expense comprises current and deferred tax during the year. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Restated 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 Restated 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 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. Un-recognised 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.

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.

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 restated consolidated 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 straight-line method the estimated useful lives of the assets as follows which is as per Schedule II of Companies Act, 2013

S. 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

Based on internal assessment, 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.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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 Restated Consolidated Statement of Profit and Loss when the asset is derecognised.

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 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 infinite.

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 restated 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 restated 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 are 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:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- 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.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- 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.

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 Restated 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:

S. 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

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

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'.

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.

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:

- in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
- 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 Restated 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 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 Restated 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 Restated Consolidated Statement of Profit and Loss

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 Restated 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 discloses its existence in the Restated Consolidated Financial Information.

Provisions and contingent liability are reviewed at each restated consolidated 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.

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 Restated 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

The 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 Restated 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 Restated Consolidated Statement of Profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income.

Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Restated 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.

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 Restated Consolidated Statement of Profit and 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 Restated Consolidated Statement of Profit and Loss.

The Group recognises impairment loss on trade receivables using life time 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.

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.

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 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 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 Restated Consolidated Statement of Profit or Loss.

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 Restated 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.

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 Restated 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 Restated Consolidated Statement of Assets and Liabilities 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.

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 Restated Consolidated Financial Information 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".

Cash and cash equivalents

Cash and cash equivalent in the Restated Consolidated Statement of Assets and Liabilities 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.

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 Parent 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated statement of profit and loss for a year 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 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, 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.

Foreign currency translation

The Group's Restated 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., Restated 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 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 restated consolidated 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 Restated 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.

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.

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 deferred until successful consumption of IPO upon which it shall be 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 restated consolidated 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.

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 restated consolidated statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative periods.

Exceptional items

Exceptional items refer to items of income or expense within the restated 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.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies in Fiscal 2025, 2024 and 2023.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total Income

Our total income comprises our revenue from operations and other income.

Revenue from Operations

Revenue from operations comprises (i) retainership and other services (for revenue from subscription to our cloud software products and solutions over the period in accordance with the arrangement with the customers); (ii) installation revenue (for integration / configurations to our platform to take a customer live on our platform); (iii) income from campaign services on a principal basis; and (iv) income from campaign services on an agent basis (for revenue based on the usage of messaging services i.e., when our services are used based on the specific terms of the contract with customers.)

During the year ended March 31, 2025, we changed our business model for the campaign services and entered into a new arrangement with service providers by which we act as the agent and not as a principal for these transactions. Accordingly, the revenue for the year ended March 31, 2025 for the income from campaign services has been recorded on a net basis i.e., revenue from operations less cost of campaign services. For further information, see "*Restated Consolidated Financial Information – Note 23 – Revenue from Operations*" on page 396.

Other Income

Other income comprises (i) interest income under effective interest rate method, which includes (a) interest income on bank deposits, (b) interest income on security deposits, and (c) interest income on corporate deposits; and (ii) other non-operating income, which includes (a) gain on fair valuation of investments carried at fair value through profit and loss, (b) profit on sale of investments, (c) gain on account of foreign exchange fluctuations (net), (d) profit on sale of property, plant and equipment (net), (e) provisions/ liabilities no longer required written back, (f) interest income on income tax refund, and (g) other miscellaneous income.

Expenses

Expenses comprise (i) cost of campaign services; (ii) professional and consultancy expenses; (iii) software and server charges; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expenses; and (vii) other expenses.

Cost of Campaign Services

Cost of campaign services comprise costs incurred towards media costs for the messages sent out from the platform including short message services, WhatsApp and e-mail.

Professional and Consultancy Expenses

Professional and consultancy expenses include costs incurred for services provided by individuals or firms with specialized expertise including third-party contractors or consultants (such as IT consultants, marketing strategists, legal advisors), technical experts or engineers hired for specific projects, designers, developers, or creative professionals engaged for specialized tasks, advisory services (such as financial, tax or compliance). These expenses are typically project-based or time-based i.e., on hourly/daily rates and are considered operational rather than permanent staffing costs.

Software and Server Charges

Software and server charges comprise of expenses primarily related to usage and maintenance of software systems and server infrastructure. These charges relate to licensing fees, subscription fees, cloud hosting, data storage, server maintenance and security.

Employee Benefits Expense

Employee benefits expense comprise (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) gratuity expenses; (iv) share based payments; and (v) staff welfare and training and recruitment expenses.

Finance Costs

Finance costs comprise (i) interest on borrowings; (ii) interest on lease liabilities; (iii) interest – others; and (iv) bank charges.

Depreciation and Amortisation Expenses

Depreciation and amortization expenses comprise (i) depreciation of property, plant and equipment; (ii) amortization of intangible assets; and (iii) depreciation of right-of-use assets.

Other Expenses

Other expenses comprise (i) travelling and conveyance; (ii) business promotions expenses; (iii) loss allowances under expected credit loss model; (iv) property, plant and equipment written off; (v) rent; (vi) rates and taxes; (vii) auditor’s remuneration; (viii) loss on account of foreign exchange fluctuations (net); (ix) sitting fees to non-executive directors; (x) insurance expenses; and (xi) miscellaneous expenses.

RESULTS OF OPERATIONS FOR FISCAL 2025, 2024 AND 2023

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2025, 2024 and 2023:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)
Revenue from operations						
- Retainership and other	4,811.05	78.63%	4,021.29	75.10%	1,564.31	58.75%

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)
services						
- Installation revenue	1,100.31	17.98%	746.69	13.95%	419.56	15.76%
- Revenue from campaign services on a principal basis	-	-	483.02	9.02%	569.85	21.40%
- Revenue from campaign services on an agent basis	71.23	1.16%	-	-	-	-
Other income	136.10	2.22%	103.40	1.93%	108.81	4.09%
Total Income	**6,118.69**	**100.00%**	**5,354.40**	**100.00%**	**2,662.53**	**100.00%**
Expenses						
Cost of campaign services	-	-	417.03	7.79%	482.86	18.14%
Professional and consultancy expenses	994.93	16.26%	873.15	16.31%	311.65	11.71%
Software and server charges	921.85	15.07%	935.84	17.48%	298.71	11.22%
Employee benefit expenses	2,955.20	48.30%	2,719.43	50.79%	1,884.10	70.76%
Other expenses	460.98	7.53%	423.86	7.92%	268.60	10.09%
Total expenses	**5,332.96**	**87.16%**	**5,369.31**	**100.28%**	**3,245.92**	**121.91%**
Earnings before interest expense, taxes, depreciation and amortisation before exceptional items (EBITDA)	**785.73**	**12.84%**	**(14.91)**	**(0.28)%**	**(583.39)**	**(21.91)%**
Finance costs	77.88	1.27%	177.08	3.31%	112.39	4.22%
Depreciation and amortisation expenses	601.03	9.82%	560.61	10.47%	366.93	13.78%
Restated profit/ (loss) before exceptional items and tax from continuing operations	**106.82**	**1.75%**	**(752.60)**	**(14.06)%**	**(1,062.71)**	**(39.91)%**
Exceptional items	-	-	-	-	113.82	4.27%
Restated **profit/ (loss) before tax**	**106.82**	**1.75%**	**(752.60)**	**(14.06)%**	**(948.89)**	**(35.64)%**
Tax expense/ (credit)						
Current tax	(12.90))	(0.21)%	1.93	0.04%	(17.26)	(0.65)%
Deferred tax credit	(21.82)	(0.36)%	(71.02)	(1.33)%	(46.07)	(1.73)%
Total tax credit	**(34.72)**	**(0.57)%**	**(69.09)**	**(1.29)%**	**(63.33)**	**(2.38)%**
Restated profit/ (loss) for the year from continuing operations	**141.54**	**2.31%**	**(683.51)**	**(12.77)%**	**(885.56)**	**(33.26)%**
Restated (loss)/profit before tax from discontinued operations	(8.54)	(0.14)%	113.58	2.12%	21.62	0.81%
Tax expense of discontinued operations	0.20	0.00%	23.85	0.45%	13.25	0.50%
Restated (loss)/ profit from discontinued operations after tax	(8.74)	(0.14)%	89.73	1.68%	8.37	0.31%
Restated profit/ (loss) for the year	**132.80**	**2.17%**	**(593.78)**	**(11.09)%**	**(877.19)**	**(32.95)%**
Restated other comprehensive income/(loss)						
Items that will be reclassified to profit or loss:						
(i) Exchange differences on translating financial statements of foreign operations	72.74	1.19%	63.88	1.19%	73.99	2.78%
Items that will not to be reclassified to profit or loss:						

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)
(i) Re-measurement losses on defined benefit plan	(4.24)	(0.07)%	(4.06)	(0.08)%	(4.92)	(0.18)%
Other comprehensive income for the year, net of tax	**68.50**	**1.12%**	**59.82**	**1.12%**	**69.07**	**2.59%**
Restated total comprehensive income / (loss) for the year	**201.30**	**3.29%**	**(533.96)**	**(9.97)%**	**(808.12)**	**(30.35)%**

FISCAL 2025 COMPARED TO FISCAL 2024

Income

Total income increased by 14.27% from ₹ 5,354.40 million in Fiscal 2024 to ₹ 6,118.69 million in Fiscal 2025, primarily due to an increase in revenue from operations and other income.

Revenue from Operations

Our revenue from operations, increased by 13.93% from ₹ 5,251.00 million in Fiscal 2024 to ₹ 5,982.59 million in Fiscal 2025 primarily on account of an increase in retainership and other services by 19.64% from ₹ 4,021.29 million in Fiscal 2024 to ₹ 4,811.05 million in Fiscal 2025, and an increase in installation revenue by 47.36% from ₹ 746.69 million in Fiscal 2024 to ₹ 1,100.31 million in Fiscal 2025, primarily due to an increase in revenue contribution from North America consequent to our new customer acquisition of an American healthcare company that provides technology services, pharmacy care services and various direct healthcare services in Fiscal 2024, and due to improving NRR with other existing customers.

During Fiscal 2025, we changed our business model for campaign services and entered a new arrangement with our service providers pursuant to which, we act as an agent and not as a principal for campaign services transactions. Accordingly, the revenue generated from campaign services during Fiscal 2025 has been recorded on a net basis (i.e., net of cost of campaign services) in our Restated Consolidated Statement of Profit and Loss. However, in Fiscal 2024 and Fiscal 2023, income from campaign services was recognized on a gross basis as we acted as principals for campaign services transactions. Accordingly, the corresponding cost of campaign services was recognized as an expense in our Restated Consolidated Statement of Profit and Loss.

The increase in the aggregate of retainership and other services and installation revenue by 23.98% from ₹ 4,767.98 million in Fiscal 2024 to ₹ 5,911.36 million in Fiscal 2025 was partially offset by the aforementioned change in our business model for campaign services transactions. A reduction of ₹ 411.79 million in Fiscal 2025 representing a decrease by 85.25% from ₹ 483.02 million in Fiscal 2024 to ₹ 71.23 million in Fiscal 2025 was effected through this change in our business model, thereby resulting in the overall 13.93% increase in total revenue from operations.

To ensure comparability of revenue from operations for the years presented in our Restated Consolidated Financial Information, 'Net Revenue' (defined as revenue from operations less campaign service cost) has also been disclosed for all the presented years in this section. Our Net Revenues in Fiscal 2025 and Fiscal 2024 was ₹ 5,982.59 million and ₹ 4,833.97 million, respectively, representing a 23.76% year-on-year growth. This growth is primarily led by increasing revenues generated from existing customers represented by our NRR increasing from 112.68% in Fiscal 2024 to 121.25% in Fiscal 2025, and increased revenue generated from newly acquired customers represented by our New ACV increasing by 6.78% from ₹ 1,145.92 million in Fiscal 2024 to ₹ 1,223.59 million in Fiscal 2025.

The following table sets forth certain information relating to our sale of services presented in accordance with the types of services we offer in the years indicated:

Particulars	Fiscal 2025	Fiscal 2024	Percentage increase / (decrease) (%)
	(₹ million)		
Retainership and other services	4,811.05	4,021.29	19.64%
Installation revenue	1,100.31	746.69	47.36%
Revenue from campaign services on a principal basis	-	483.02	(100.00)%

Particulars	Fiscal 2025	Fiscal 2024	Percentage increase / (decrease) (%)
	(₹ million)		
Revenue from campaign services on an agent basis	71.23	-	100.00%
Revenue from operations	**5,982.59**	**5,251.00**	**13.93%**
Less: Cost of campaign services	**-**	**(417.03)**	(100.00)%
Net Revenue*	**5,982.59**	**4,833.97**	**23.76%**

* *The aforementioned computation of net revenue does not impact the recognition and measurement principles in the Restated Consolidated Financial Information, as the revenue from campaign services is recognised on a principal basis for the Fiscal 2024 as per Ind AS 115 "Revenue from contracts with customers*

To ensure comparability of the "Revenue from campaign services" for the years presented in the Restated Consolidated Financial Information, we have presented below the revenue, net of campaign service costs. The information provided below is to enhance the understanding of the users of the financial information particularly revenue, on a like to like basis only for the purpose of Draft Red Herring Prospectus and does not impact the recognition and measurement principles in the Restated Consolidated Financial Information as the revenue from campaign services is recognised on a principal basis for the Fiscal 2024 as per Ind AS 115 "Revenue from contracts with Customers.

Particulars	Fiscal 2025	Fiscal 2024
	(₹ million)	
Revenue from campaign services on a principal basis	-	483.02
Revenue from campaign services on an agent basis	71.23	-
Less: Cost of campaign services	-	(417.03)
Revenue (net of campaign service cost)	**71.23**	**65.99**

Certain of our key metrics presented on the basis of Net Revenues for the years indicated are set out below:

Particulars	As at and for the year ended March 31,	
	2025	2024
	(₹ million except for percentages)	
Net Revenue (1) (₹ million)	5,982.59	4,833.97
Net Revenue Growth(2) (%)	23.76%	133.43%
EBITDA Margin (Net Revenue) (3) (%)	13.13%	(0.31)%
Adjusted EBITDA Margin (Net Revenue)(4) (%)	12.45%	(0.23)%
Restated Profit/(loss) before tax Margin (Net Revenue)(5) (%)	1.79%	(15.57)%
Restated Profit / (Loss) for the Year Margin (Net Revenue) (6) (%)	2.37%	(14.14%)
ARR (7) (₹ million)	6,083.33	5,460.07
New ACV(8) (₹ million)	1,223.59	1,145.92
Customer Acquisition Cost ("**CAC**") as percentage of Net Revenue(9) (₹ million)	17.85%	18.05%
Net Revenue Retention ("**NRR**") Rate(10) (%)	121.25%	112.68%

Notes:

1. *Net Revenue is computed as Revenue from operations less cost of campaign services.*
2. *Net Revenue Growth is calculated as a percentage of Net Revenue of the relevant year minus Net Revenue of the preceding year, divided by Net Revenue of the preceding period/ year.*
3. *EBTIDA Margin (Net Revenue) is calculated as percentage of EBITDA divided by Net Revenue for the respective Fiscal. Net Revenue is computed as Revenue from operations less cost of campaign services.*
4. *Adjusted EBITDA Margin (Net Revenue) is defined as Adjusted EBITDA as a percentage of Adjusted EBITDA divided by Net Revenue for the respective Fiscal.*
5. *Profit/(loss) before tax refers to Restated profit/ (loss) before tax as disclosed in our Restated Consolidated Financial Information.*
6. *Restated profit/(loss) before tax Margin (Net Revenue) is defined a restated profit/ (loss) before tax divided by Net Revenue for the respective Fiscal.*
7. *ARR (Net Revenue) refers to aggregate of all Net Revenue from the most recent quarter multiplied by 4. Annual Recurring Revenues refers to the active recurring contract values over a 12 month period.*
8. *New ACV refers as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services.*
9. *CAC as a percentage of Net Revenue is computed as sales and marketing spends plus / (minus) the loss / (profit) earned on installation*

income divided by Net Revenue multiplied by 100 for the respective Fiscal.

10. *NRR rate is computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by Net Revenue generated from the same customers in the previous Fiscal multiplied by 100.*

Other Income

Other income increased by 31.62% from ₹ 103.40 million in Fiscal 2024 to ₹ 136.10 million in Fiscal 2025 primarily due to an increase in profit on sale of investments from ₹ 17.55 million in Fiscal 2024 to ₹ 76.53 million in Fiscal 2025 and an increase in interest income on corporate deposits from ₹ 6.50 million in Fiscal 2024 to ₹ ₹ 25.18 million in Fiscal 2025. These were partially offset by a decrease in provisions/ liabilities no longer required written back from ₹ 26.07 million in Fiscal 2024 to ₹ 0.18 million in Fiscal 2025 and a decrease in other miscellaneous income from ₹ 27.61 million in Fiscal 2024 to ₹ 17.62 million in Fiscal 2025.

Expenses

Total expenses marginally decreased by 0.68% from ₹ 5,369.31 million in Fiscal 2024 to ₹ 5,332.96 million in Fiscal 2025. This was primarily due to change in our business model for campaign services where through new arrangements entered into with our service providers, we act as an agent and not as a principal for these transactions leading to cost of campaign services being reduced from income from such services and not included as part of total expenses in Fiscal 2025. Total expenses excluding cost of campaign services increased by 7.69% from ₹ 4,952.28 in Fiscal 2024 to ₹ 5,332.96 in Fiscal 2025, primarily on account of an increase in business operations. This increase of 7.69% was primarily due to scaling of our organic business through efficiencies in our net revenue retention and new customer acquisition. Our inorganic businesses have also witnessed a reduction in total expenses through transitioning central functions which include finance, human resources, information security, information technology support, workplace services and other corporate functions to India, transitioning parts of research and technology development and maintenance functions to India, and migration of technology platform where most service- based deliverables are automated through software solutions as opposed to dedicated human workforce.

Cost of Campaign Services

Cost of campaign services decreased from ₹ 417.03 million in Fiscal 2024 to nil in Fiscal 2025 primarily on account of change in business model from gross accounting to net accounting. For further information see, "- *Fiscal 2025 compared to Fiscal 2024 – Revenue from Operations*" on page 451.

Professional and Consultancy Services Expense

Professional and consultancy services increased by 13.95% from ₹ 873.15 million in Fiscal 2024 to ₹ 994.93 million in Fiscal 2025 primarily on account of increase in business operations.

Software and Server Charges

Software and server charges decreased by 1.49% from ₹ 935.84 million in Fiscal 2024 to ₹ 921.85 million in Fiscal 2025 primarily due to optimization of software charges pursuant to migration to our platform of customers acquired through our Persuade Group and B+P acquisitions.

Employee Benefits Expense

Employee benefits expense increased by 8.67% from ₹ 2,719.43 million in Fiscal 2024 to ₹ 2,955.20 million in Fiscal 2025, primarily due to an increase in salaries, wages and bonus from ₹ 2,336.26 million in Fiscal 2024 to ₹ 2,583.31 million in Fiscal 2025. This was partially offset by a decrease in staff welfare and training and recruitment expenses from ₹ 152.94 million in Fiscal 2024 to ₹ 94.23 million in Fiscal 2025, primarily due to a lower in-office workforce under the work-from-home policy.

Finance Costs

Finance costs decreased by 56.02% from ₹ 177.08 million in Fiscal 2024 to ₹ 77.88 million in Fiscal 2025, primarily due to a decrease in interest on borrowings from ₹ 166.91 million in Fiscal 2024 to ₹ 62.66 million in Fiscal 2025, primarily due to repayment of non-convertible debentures on a monthly basis amounting to ₹ 30.00 million leading to a lower interest cost accrued every month.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by 7.21% from ₹ 560.61 million in Fiscal 2024 to ₹ 601.03 million in Fiscal 2025, primarily due to an increase in amortisation of intangible assets from ₹ 510.83 million in Fiscal 2024 to ₹ 539.03 million in Fiscal 2025, primarily due to increase in addition of intangible assets year on year, which is a consequence of an increase in development of internally generated intangible assets for our expanding business operations.

Other Expenses

Other expenses increased by 8.76% from ₹ 423.86 million in Fiscal 2024 to ₹ 460.98 million in Fiscal 2025, primarily due to an increase in:

- Business promotion expenses from ₹ 110.85 million in Fiscal 2024 to ₹ 117.81 million in Fiscal 2025 primarily due to strategic decisions to improve recognition of our brand "Capillary" globally;
- Loss allowances under expected credit loss model from ₹ 41.21 million in Fiscal 2024 to ₹ 78.42 million in Fiscal 2025 primarily due to non-recovery of receivables from a customer who had filed for bankruptcy, leading to higher allowances in Fiscal 2025; and
- Miscellaneous expenses increased from ₹ 60.25 million in Fiscal 2024 to ₹ 81.54 million in Fiscal 2025 primarily due to increase in communication expenses. This increase is attributable to a contract entered into by one of our Subsidiary, Capillary Technologies Europe Limited in February 2024, resulting in only two months of expenses being recorded in Fiscal 2024, compared to a full twelve months in Fiscal 2025.

This was partially offset by a decrease in loss on account of foreign exchange fluctuations (net) from ₹ 26.85 million in Fiscal 2024 to ₹ 7.24 million in Fiscal 2025 due to a favorable movement of currencies dealt in by our Company in Fiscal 2025 as against Fiscal 2024.

Restated profit/ (loss) before Exceptional Items and Tax from Continuing Operations

As a result of the foregoing, restated profit before exceptional items and tax from continuing operations was ₹ 106.82 million in Fiscal 2025 compared to restated loss before exceptional items and tax from continuing operations ₹ 752.60 million in Fiscal 2024.

Tax Expenses

Current tax credit was ₹ 12.90 million in Fiscal 2025 compared to current tax charge of ₹ 1.93 million in Fiscal 2024 on account of actualization of tax expenses per income tax return filed in Fiscal 2024. Deferred tax credit was ₹ 21.82 million in Fiscal 2025 compared to ₹ 71.02 million in Fiscal 2024 primarily on account of increase in tax effect on intangibles on account of acquisition of a subsidiary, Capillary Brierley Inc. in Fiscal 2024. As a result, total tax credit decreased by 49.75% from ₹ 69.09 million in Fiscal 2024 to ₹ 34.72 million in Fiscal 2025.

Restated Profit/ (Loss) for the Year from Continuing Operations

We recorded a restated profit for the year from continuing operations of ₹ 141.54 million in Fiscal 2025 as compared to a restated loss for the year from continuing operations of ₹ 683.51 million in Fiscal 2024.

Discontinued Operations

Pursuant to board resolution dated January 27, 2025, we decided to discontinue our operations in the Anywhere Commerce Platform ("**ACP**") with effect from October 1, 2024. The ACP business comprised operations and cashflow that were clearly distinguished from the operations of the rest of our Company. Accordingly, the Company has derecognised the net carrying value of assets of ₹ 6.49 million to the restated statement of profit and loss for the year ended March 31, 2025.

In addition, pursuant to board resolution dated March 12, 2025, we decided to discontinue our operations in the 'digital business' effective from March 31, 2025. The digital business of our Company comprised operations and cashflow that were clearly distinguished from the operations of the rest of our Company. The business did not have any assets which were not recoverable and accordingly, no amount was derecognised to the restated statement of profit and loss for the year ended March 31, 2025.

Accordingly, the demerged cash generating unit and the attributable unallocated assets and liabilities represent discontinued operations and have been accounted for in accordance with the stipulations of Ind AS 105 - Non-current assets held for sale and discontinued operations. The comparative years have also been adjusted in line with the requirements of the standard. For further information, see "*Restated Consolidated Financial Information – Discontinued Operations – Note 42*" on page 417.

We recorded a restated loss before tax from discontinued operations of ₹ 8.54 million in Fiscal 2025 as compared to a restated profit before tax from discontinued operations of ₹ 113.58 million in Fiscal 2024. Tax expense on discontinued operations was ₹ 0.20 million in Fiscal 2025 compared to ₹ 23.85 million in Fiscal 2024. Accordingly, restated loss from discontinued operations after tax was ₹ 8.74 million in Fiscal 2025 and restated profit from discontinued operations after tax ₹ 89.73 million in Fiscal 2024.

Restated Profit/ (Loss) for the Year

For the reasons discussed above, restated profit for the year was ₹ 132.80 million in Fiscal 2025 as compared to a restated loss for the year of ₹ 593.78 million in Fiscal 2024.

Adjusted Earnings before Interest expenses, Taxes, Depreciation and Amortisation before Exceptional Items (Adjusted EBITDA)

Adjusted EBITDA was ₹ 745.01 million in Fiscal 2025 as compared to ₹ (11.29) million in Fiscal 2024, while Adjusted EBITDA Margin was 12.45% in Fiscal 2025 as compared to (0.22)% in Fiscal 2024.

FISCAL 2024 COMPARED TO FISCAL 2023

Income

Total income increased from ₹ 2,662.53 million in Fiscal 2023 to ₹ 5,354.40 million in Fiscal 2024, primarily due to an increase in revenue from operations.

Revenue from Operations

Our revenue from operations increased from ₹ 2,553.72 million in Fiscal 2023 to ₹ 5,251.00 million in Fiscal 2024, primarily due to an increase in retainership and other services from ₹ 1,564.31 million in Fiscal 2023 to ₹ 4,021.29 million in Fiscal 2024 primarily due to acquisition of our Subsidiaries, B+P and the Rewards+ Acquisition and organic growth through retention of existing customers and new customer acquisitions, and an increase in installation revenue from ₹ 419.56 million in Fiscal 2023 to ₹ 746.69 million in Fiscal 2024 primarily due to the aforementioned acquisitions and installation revenue from migration of acquired customers to our platform.

To ensure comparability of revenue from operations for the years presented in our Restated Consolidated Financial Information, 'Net Revenue' (defined as revenue from operations less campaign service cost) has also been disclosed for all the presented years in this section. Our Net Revenues in Fiscal 2024 and Fiscal 2023 was ₹ 4,833.97 million and ₹ 2,070.86 million, respectively, representing a 133.43% year-on-year growth. This growth is primarily led by revenues generated from the acquisition of B+P and the Rewards+ Acquisition in Fiscal 2024 generating aggregate revenues of ₹ 2,302.35 million, which represents 47.63% of revenue from operations in Fiscal 2024, and increased revenue generated from newly acquired customers represented by our New ACV increasing by 98.03% from ₹ 578.65 million to ₹ 1,145.92 million in Fiscal 2024.

The following table sets forth certain information relating to our sale of services presented in accordance with the types of services we offer in the years indicated:

Particulars	Fiscal 2024	Fiscal 2023	Percentage increase / (decrease) (%)
	(₹ million)		
Retainership and other services	4,021.29	1,564.31	157.06%
Installation revenue	746.69	419.56	77.97%
Revenue from campaign services on a principal basis	483.02	569.85	(15.24)%
Revenue from campaign services on an agent basis	-	-	-
Revenue from operations	**5,251.00**	**2,553.72**	**105.62%**
Less: Cost of campaign services	**(417.03)**	**(482.86)**	**(13.63)%**
Net Revenue*	**4,833.97**	**2,070.86**	**133.43%**

** The aforementioned computation of Net Revenue does not impact the recognition and measurement principles in the Restated Consolidated Financial Information, as the revenue from campaign services is recognised on a principal basis for Fiscal 2024 and Fiscal 2023 as per Ind AS 115 "Revenue from contracts with customers*

To ensure comparability of the "Revenue from campaign services" for the years presented in the Restated Consolidated Financial Information, we have presented below the revenue, net of campaign service costs. The information provided below is to enhance the understanding of the users of the financial information particularly revenue, on a like to like basis only for the purpose of Draft Red Herring Prospectus and does not impact the recognition and measurement principles in the Restated Consolidated Financial Information as the revenue from campaign services is recognised on a principal basis for the Fiscals 2024 and 2023 as per Ind AS 115 “Revenue from contracts with Customers.

Particulars	**Fiscal 2024**	**Fiscal 2023**
	(₹ million)	
Revenue from campaign services on a principal basis	483.02	569.85
Revenue from campaign services on an agent basis	-	-
Less: Cost of campaign services	(417.03)	(482.86)
Revenue (net of campaign service cost)	**65.99**	**86.99**

Certain of our key metrics presented on the basis of Net Revenues for the years indicated are set out below:

Particulars	**As at and for the year ended March 31,**	
	2024	**2023**
	(₹ million except for percentages)	
Net Revenue (1) (₹ million)	4,833.97	2,070.86
Net Revenue Growth(2) (%)	133.43%	51.69%
EBITDA Margin (Net Revenue) (3) (%)	(0.31)%	(28.17)%
Adjusted EBITDA Margin (Net Revenue)(4) (%)	(0.23)%	(3.00)%
Restated Profit/(loss) before tax Margin (Net Revenue)(5) (%)	(15.57)%	(45.82)%
Restated Profit / (Loss) for the Year Margin (Net Revenue) (6) (%)	(14.14%)	(42.76%)
ARR(7) (₹ million)	5,460.07	2,536.03
New ACV(8) (₹ million)	1,145.92	578.65
Customer Acquisition Cost (“**CAC**”) as percentage of Net Revenue(9) (₹ million)	18.05%	25.88%
Net Revenue Retention (“**NRR**”) Rate(10) (%)	112.68%	139.01%

Notes:

1. *Net Revenue is computed as Revenue from operations less cost of campaign services.*
2. *Net Revenue Growth is calculated as a percentage of Net Revenue of the relevant year minus Net Revenue of the preceding year, divided by Net Revenue of the preceding period/ year.*
3. *EBTIDA Margin (Net Revenue) is calculated as percentage of EBITDA divided by Net Revenue for the respective Fiscal. Net Revenue is computed as Revenue from operations less cost of campaign services.*
4. *Adjusted EBITDA Margin (Net Revenue) is defined as Adjusted EBITDA as a percentage of Adjusted EBITDA divided by Net Revenue for the respective Fiscal.*
5. *Profit/(loss) before tax refers to Restated profit/ (loss) before tax as disclosed in our Restated Consolidated Financial Information.*
6. *Restated profit/(loss) before tax Margin (Net Revenue) is defined a restated profit/ (loss) before tax divided by Net Revenue for the respective Fiscal.*
7. *ARR (Net Revenue) refers to aggregate of all Net Revenue from the most recent quarter multiplied by 4. Annual Recurring Revenues refers to the active recurring contract values over a 12 month period.*
8. *New ACV refers as aggregate of all annual recurring revenues contracted during the respective Fiscal, where annual recurring revenues represent the active recurring contract values over a twelve month period from licensed subscriptions and committed professional services.*
9. *CAC as a percentage of Net Revenue is computed as sales and marketing spends plus / (minus) the loss / (profit) earned on installation income divided by Net Revenue multiplied by 100 for the respective Fiscal.*
10. *NRR rate is computed as Net Revenue for the current Fiscal from all customers existing at the end of previous Fiscal divided by Net Revenue generated from the same customers in the previous Fiscal multiplied by 100.*

Other Income

Other income decreased by 4.97% from ₹ 108.81 million in Fiscal 2023 to ₹ 103.40 million in Fiscal 2024 primarily due to a decrease in gain on account of foreign exchange fluctuations (net) from ₹ 25.40 million in Fiscal 2023 to nil in Fiscal 2024 primarily due to a favorable movement of currencies dealt in by our Company in Fiscal 2025 as against Fiscal 2024. This was partially offset by an increase in profit on sale of investments from nil in

Fiscal 2023 to ₹ 17.55 million in Fiscal 2024 and an increase in gain on fair valuation of investments carried at fair value through profit and loss from nil in Fiscal 2023 to ₹ 9.59 million in Fiscal 2024.

Expenses

Total expenses increased by 65.42% from ₹ 3,245.92 million in Fiscal 2023 to ₹ 5,369.31 million in Fiscal 2024, primarily due to an increase in the scale of our operations pursuant to our strategic acquisitions in Fiscal 2024. This resulted in increase in professional and consultancy services, software and server charges, employee benefit expenses and other expenses. This was primarily due to change in our business model for campaign services where through new arrangements entered into with our service providers, we act as an agent and not as a principal for these transactions leading to cost of campaign services being reduced from income from such services and not included as part of total expenses in Fiscal 2025. Cost of campaign services, decreased by 13.63% from ₹ 482.86 million in Fiscal 2023 to ₹ 417.03 million in Fiscal 2024. Total expenses excluding cost of campaign services, increased by 79.23% from ₹ 2,763.06 million in Fiscal 2023 to ₹ 4,952.28 million in Fiscal 2024. Of the total year-on-year increase, ₹ 2,518.91 million was attributable to the acquisition of B+P and Rewards+ Acquisition, representing 46.91% of total expenses in Fiscal 2024. Further, excluding cost of campaign services and the aforementioned ₹ 2,518.91 attributable to acquisition of B+P and Rewards+ Acquisition, there has been a reduction of ₹ 329.69 million in total expenses, representing a reduction in the cost of operations of our continuing business through our cost optimization measures and synergies achieved through platform migrations and transitioning central functions and research and technology development and maintenance functions to India, pertaining to our earlier acquisition of the Persuade Group in Fiscal 2022.

Cost of Campaign Services

Cost of campaign services decreased by 13.63% from ₹ 482.86 million in Fiscal 2023 to ₹ 417.03 million in Fiscal 2024 primarily due to decrease in revenues for the campaign services from our customers.

Professional and Consultancy Services Expense

Professional and consultancy services expense increased by 180.17% from ₹ 311.65 million in Fiscal 2023 to ₹ 873.15 million in Fiscal 2024 primarily due to increase in operations on account of acquisition of B+P and Rewards+ Acquisition in Fiscal 2024.

Software and Server Charges

Software and server charges increased by 213.30% from ₹ 298.71 million in Fiscal 2023 to ₹ 935.84 million in Fiscal 2024 primarily due to increase in operations on account of acquisition of B+P and Rewards+ Acquisition in Fiscal 2024.

Employee Benefits Expense

Employee benefits expense increased by 44.34% from ₹ 1,884.10 million in Fiscal 2023 to ₹ 2,719.43 million in Fiscal 2024, primarily due to an increase in salaries, wages and bonus from ₹ 1,206.46 million in Fiscal 2023 to ₹ 2,336.26 million in Fiscal 2024, primarily due to increase in headcount pursuant to our acquisition of B+P and Rewards+ Acquisition and due to salary increments during Fiscal 2024. This was partially offset by a decrease in Share based payments from ₹ 536.57 million in Fiscal 2023 to ₹ 53.34 million in Fiscal 2024, on account of a significant one-time recognized in Fiscal 2023 pursuant to the grant of new stock options towards the end of the Fiscal 2021.

Finance Costs

Finance costs increased by 57.56% from ₹ 112.39 million in Fiscal 2023 to ₹ 177.08 million in Fiscal 2024, primarily due to an increase in interest on borrowings from ₹ 98.87 million in Fiscal 2023 to ₹ 166.91 million in Fiscal 2024 primarily due to issue of non-convertible debentures at the end of Fiscal 2023 and increase in utilization of overdraft facilities availed from the banks.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by 52.78% from ₹ 366.93 million in Fiscal 2023 to ₹ 560.61 million in Fiscal 2024, primarily due to an increase in amortisation of intangible assets from ₹ 321.25 million in Fiscal 2023 to ₹ 510.83 million in Fiscal 2024 primarily due to increase in additions of internally generated and other intangible assets year on year.

Other Expenses

Other expenses increased by 57.80% from ₹ 268.60 million in Fiscal 2023 to ₹ 423.86 million in Fiscal 2024, primarily due to an increase in:

- Travelling and conveyance expense from ₹ 53.88 million in Fiscal 2023 to ₹ 122.54 million in Fiscal 2024 primarily due to increase in travelling expenses incurred by employees of newly acquired entities, namely Capillary Brierley Inc. and Capillary Technologies Europe Limited.
- Loss allowances under expected credit loss model from ₹ 19.19 million in Fiscal 2023 to ₹ 41.21 million in Fiscal 2024 on account of primarily due to non-recovery of receivables from a customer undergoing financial crisis leading to higher allowances in Fiscal 2024;
- Loss on account of foreign exchange fluctuations (net) from nil in Fiscal 2023 to ₹ 26.85 million in Fiscal 2024 primarily due to unfavorable movement of currencies dealt in by the Company in Fiscal 2024 as against Fiscal 2023; and
- Miscellaneous expenses from ₹ 32.34 million in Fiscal 2023 to ₹ 60.25 million in Fiscal 2024.

Restated Profit/ (Loss) before Exceptional Items and Tax from Continuing Operations

As a result of the foregoing, restated loss before exceptional items and tax from continuing operations was ₹ 1,062.71 million in Fiscal 2023 compared to ₹ 752.60 million in Fiscal 2024.

Exceptional Items

Exception items were ₹ 113.82 million in Fiscal 2023 compared to nil in Fiscal 2024. As of March 31, 2023, Capillary Technologies LLC (formerly Persuade Loyalty LLC) did not meet the earn-out condition specified in the Acquisition Agreement. Consequently, the contingent consideration was no longer payable. Our Company's Management, through a Waiver and Consent Letter, granted fully vested options worth USD 0.83 million of the Ultimate Holding Company and a cash payout of USD 0.38 million as a final settlement with the former shareholders and investors of the Persuade Group. The remaining cash payout of USD 2.12 million (₹ 113.82 million), which was no longer payable, has been written back to the restated consolidated statement of profit and loss as "Exceptional items".

Restated Profit/(Loss) before Tax

For the reasons discussed above, loss before tax was ₹ 948.89 million in Fiscal 2024 as compared to ₹ 752.60 million in Fiscal 2023.

Tax Expenses

Current tax charge was ₹ 1.93 million in Fiscal 2024 compared to current tax credit of ₹ 17.26 million in Fiscal 2023 on account of recognition of profit in our Subsidiaries, namely, Capillary Technology LLC and PT Capillary Technologies Indonesia in Fiscal 2024. Deferred tax credit was ₹ 71.02 million in Fiscal 2024 compared to ₹ 46.07 million in Fiscal 2023 on account of primarily on account of increase in tax effect on intangibles on account of acquisition of a subsidiary, Capillary Brierley Inc. in Fiscal 2024. As a result, total tax credit increased by 9.10% from ₹ 63.33 million in Fiscal 2023 to ₹ 69.09 million in Fiscal 2024.

Restated Profit/ (Loss) for the Year

We recorded a restated loss for the year of ₹ 593.78 million in Fiscal 2024 as compared to restated loss for the year of ₹ 877.19 million in Fiscal 2023.

Restated Profit/ (Loss) for the Year from Continuing Operations

We recorded a restated loss for the year from continuing operations of ₹ 683.51 million in Fiscal 2024 as compared to a restated loss for the year from continuing operations of ₹ 885.56 million in Fiscal 2023.

Discontinued Operations

We recorded a restated profit before tax from discontinued operations of ₹ 113.58 million in Fiscal 2024 as compared to a restated profit before tax of ₹ 21.62 million in Fiscal 2023. Tax expense on discontinued operations was ₹ 23.85 million in Fiscal 2024 compared to ₹ 13.25 million in Fiscal 2023. Accordingly, restated profit from discontinued operations after tax was ₹ 89.73 million in Fiscal 2024 and ₹ 8.37 million in Fiscal 2023.

Restated Profit/ (Loss) for the Year

For the reasons discussed above, restated loss for the year was ₹ 593.78 million in Fiscal 2024 as compared to a restated loss for the year of ₹ 877.19 million in Fiscal 2024.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (Adjusted EBITDA)

Adjusted EBITDA was ₹(11.29) million in Fiscal 2024 as compared to ₹(62.13) million in Fiscal 2023, while Adjusted EBITDA Margin was (0.22)% in Fiscal 2024 as compared to (2.43)% in Fiscal 2023.

Liquidity and Capital Resources

We finance our operations and capital requirements primarily through equity infusion of our Promoter entity funded by investors, cash flows from operations and borrowings under credit facilities from certain banks. We believe that with our credit facilities, expected cash to be generated from operations and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for at least the next 12 months. We expect that these sources will continue to be our principal sources of cash in the medium term. However, there can be no assurance that additional financing will be available, or if available, that it will be available on terms acceptable to us.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years indicated:

Particulars	Fiscal		
	2025	2024	2023
	(₹ million)		
Net cash (used in)/ generated from operating activities	(461.99)	971.35	(200.58)
Net cash generated from / (used in) investing activities	635.78	(1,845.25)	(936.19)
Net cash generated from financing activities	132.59	2,177.61	1,365.72
Net increase in cash and cash equivalents	306.38	1,303.71	228.95
Cash and cash equivalents at the end of the year	2,140.71	1,806.68	462.00

Operating Activities

Fiscal 2025

In Fiscal 2025, net cash used in operating activities was ₹ 461.99 million. Restated profit for the year from continuing operations before exceptional items and tax was ₹ 106.82 million and adjustments primarily consisted of depreciation and amortisation expenses of ₹ 621.98 million, loss allowances under expected credit loss model of ₹ 78.42 million, share based payment of ₹ 80.94 million, profit on sale of investments of ₹ 76.53 million and finance costs of ₹ 68.53 million.

Operating profit before working capital changes was ₹ 840.24 million in Fiscal 2025. The working capital adjustments included an increase in trade receivables of ₹ 242.89 million, increase in other financial assets and other assets (current and non-current) of ₹ 178.91 million, decrease in trade payable of ₹ 222.33 million and decrease in non-current and current other financial and other liabilities of ₹ 629.01 million. This was partially offset by an increase in provision of ₹ 9.24 million. Cash used in operations for Fiscal 2025 amounted to ₹ 423.66 million. Direct taxes paid amounted to ₹ 38.33 million.

Fiscal 2024

In Fiscal 2024, net cash generated from operating activities was ₹ 971.35 million. Restated loss for the year from continuing operations before exceptional items and tax was ₹ 752.60 million and adjustments primarily consisted of depreciation and amortisation expenses of ₹ 582.20 million, loss allowances under expected credit loss model of ₹ 41.21 million, share based payment of ₹ 68.84 million, finance costs of ₹ 168.30 million, liabilities no longer required, written back of ₹ 26.07 million and gain on account of foreign exchange fluctuations (net) of ₹ 19.23 million.

Operating profit before working capital changes was ₹ 128.82 million in Fiscal 2024. The working capital adjustments included increase in other financial assets and other assets (current and non-current) of ₹ 705.71 million, increase in trade payable of ₹ 139.69 million, increase in provision of ₹ 6.19 million and increase in non-current and current other financial and other liabilities of ₹ 830.29 million. This was partially offset by a decrease in trade receivables of ₹ 564.87 million. Cash generated from operations for Fiscal 2024 amounted to ₹ 964.15 million. Direct taxes refund amounted to ₹ 7.20 million.

Fiscal 2023

In Fiscal 2023, net cash used in operating activities was ₹ 200.58 million. Restated loss for the year from continuing operations before exceptional items and tax was ₹ 1,062.71 million and adjustments primarily consisted of depreciation and amortisation expenses of ₹ 395.68 million, share based payments of ₹ 600.61 million, finance costs of ₹ 102.98 million and loss on account of foreign exchange fluctuations (net) of ₹ 48.80 million.

Operating profit before working capital changes was ₹ 72.64 million in Fiscal 2023. The working capital adjustments included increase in trade receivables of ₹ 289.29 million, increase in other financial assets and other assets (current and non-current) of ₹ 16.28 million, decrease in trade payable of ₹ 37.16 million and decrease in provision of ₹ 10.15 million. This was partially offset by an increase in non-current and current other financial and other liabilities of ₹ 58.00 million. Cash used in operations for Fiscal 2023 amounted to ₹ 222.24 million. Direct taxes refund amounted to ₹ 21.66 million.

Investing Activities

Fiscal 2025

Net cash generated from investing activities was ₹ 635.78 million in Fiscal 2025, primarily on account of sale of current investment, net of ₹ 775.78 million and proceeds from redemption of corporate deposits of ₹ 799.99 million on account of sale of short term investment. This was partially offset by purchase of property, plant and equipment, intangible assets and intangible assets under development of ₹ 474.58 million, corporate deposits placed of ₹ 400.00 million and redemption of bank deposits, net of ₹ 105.13 million.

Fiscal 2024

Net cash used in investing activities was ₹ 1,845.25 million in Fiscal 2024, primarily on account of purchase of property, plant and equipment, intangible assets and intangible assets under development of ₹ 369.32 million, purchase of current investment, net of ₹ 672.11 million, investments in corporate deposits ₹ 399.99 million and payment for acquisition of subsidiary, Capillary Brierley Inc. of ₹ 387.82 million. This was partially offset by interest income on bank deposits of ₹ 10.14 million and interest income on corporate deposits of ₹ 0.64 million.

Fiscal 2023

Net cash used in investing activities was ₹ 936.19 million in Fiscal 2023, primarily on account of purchase of property, plant and equipment, intangible assets and intangible assets under development of ₹ 282.00 million and advance of ₹ 696.59 million on account of payment of advance for acquisition of subsidiary, Capillary Brierley Inc. This was partially offset by investment in bank deposits, net of ₹ 40.34 million.

Financing Activities

Fiscal 2025

Net cash generated from financing activities was ₹ 132.59 million Fiscal 2025, primarily on account of proceeds from issue of share capital, (including security premium) of ₹ 49.92 million and proceeds from short-term borrowings (net) of ₹ 581.06 million primarily on account of utilization of overdraft facilities availed from the bank. These were partially offset by repayment of ₹ 352.48 million towards non-convertible debenture, payment of principal and interest portion of lease liabilities of ₹ 33.04 million, finance costs paid of ₹ 64.62 million and surrender of employee stock options and repurchase (net) of ₹ 48.25 million.

Fiscal 2024

Net cash generated from financing activities was ₹ 2,177.61 million Fiscal 2024, primarily on account of Proceeds from issue of share capital, (including security premium) of ₹ 1,337.43 million from multiple investors during

Fiscal 2024 and proceeds from issue of Compulsory Convertible Debentures of ₹ 1,701.50 million from Ronal Holdings (*formerly known as Avataar II Co-Investment II Limited*). These were partially offset by repayment of long-term borrowings of ₹ 366.82 million, repayment of non convertible debentures of ₹ 237.89 million, finance costs paid of ₹ 166.91 million and surrender of employee stock options and re-purchase (net) of ₹ 120.37 million.

Fiscal 2023

Net cash generated from financing activities was ₹ 1,365.72 million Fiscal 2023, primarily on account of Proceeds from issue of share capital, (including security premium) of ₹ 820.60 million on account of the issuance of bonus shares to the existing equity shareholders of our Company other than promoters, Proceeds from issue of non convertible debentures of ₹ 544.00 million from Innoven Capital, proceeds from short-term borrowings (net) of ₹ 369.16 million. This was partially offset by repayment of long-term borrowings of ₹ 258.02 million towards Gameberry Labs Private Limited and finance costs paid of ₹ 75.42 million.

INDEBTEDNESS

As of March 31, 2025, we had borrowings (consisting of current and non-current borrowings) of ₹ 1,000.94 million. Our Debt to Equity ratio was 0.18 times as of March 31, 2025.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2025, and our repayment obligations in the years indicated:

Particulars	As of March 31, 2025 Payment due by period (₹ million)			
	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non-current borrowings				
US Dollar term loan from Body Corporate - SBA (secured)	12.82	-	3.00	9.82
Current borrowings				
US Dollar term loan from Body Corporate - SBA (secured)	0.72	0.72	-	-
US Dollar loan from banks (secured)	470.02	470.02	-	-
Working capital loans from banks (secured)	421.66	421.66	-	-
Bank Overdraft (Secured)	95.72	95.72	-	-
Borrowings	**1,000.94**	**988.12**	**3.00**	**9.82**

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2025, aggregated by type of contractual obligation:

Particulars	As of March 31, 2025 Payment due by period (₹ million)		
	Less than 1 year	**1 to 5 years**	**More than 5 years**
Borrowings	987.40	3.00	9.82
Lease liabilities	34.63	35.19	-
Trade payables	503.30	2.45	-
Other financial liabilities	145.39	-	-
Total	**1,670.72**	**40.64**	**9.82**

For further information on our capital and other commitments, see "*Restated Consolidated Financial Information*" on page 367.

Except as disclosed in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTINGENT LIABILITIES AND COMMITMENTS

As of March 31, 2025, our contingent liabilities were as follows:

Particulars	Amount (₹ million)
Bank guarantees outstanding	3.91

As of March 31, 2025, we did not have any capital commitments.

For further information on our contingent liabilities and commitments, see "*Financial Statements – Note 34 – Contingent Liabilities and Capital Commitment*" on page 402.

CAPITAL EXPENDITURES

In Fiscals 2025, 2024, and 2023, our capital expenditure towards additions to property, plant and equipment and intangible assets and intangible assets under development were ₹ 474.58 million, ₹ 369.32 million and ₹ 282.00 million, respectively. The following table sets forth our expenditure on Property, plant and equipment and intangible assets and intangible assets under development for the years indicated:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million)		
Property, plant and equipment and intangible assets and intangible assets under development	474.58	369.32	282.00
Total	**474.58**	**369.32**	**282.00**

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include service income from our Group Companies, finance costs, collections made on behalf of other companies in Capillary Group, expenses incurred on behalf of other companies in Capillary Group and remuneration to executive Directors and Key Managerial Personnel.

For further information on our related party transactions, see "*Restated Consolidated Financial Information – Note 35 – Related Party Disclosures*" on page 403. Also, see "*Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders*" on page 69.

AUDITOR'S OBSERVATIONS

There are no qualifications, reservations and adverse remarks by our Statutory Auditors in our Restated Consolidated Financial Information.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance our operations. Our principal financial assets include trade receivables, other financial assets and cash and bank balances derived from our operations.

In the course of our business, we are exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of our financial instruments. We have 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. Our risk management policy is approved by our Board of Directors. Our risk management framework aims to:

- create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on our business plan; and
- 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.

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. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. Thus, profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in our credit rating will have an adverse impact on the interest rates.

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. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating and financing activities. Our exposure to foreign currency changes from operating activities is not material.

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 ₹ 1,611.21 million, ₹ 1,456.51 million and ₹ 801.11 million as at March 31, 2025, March 31, 2024 and March 31, 2023, 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 our Company through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which we grant credit terms in the normal course of business. 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 we generally invest in deposits with banks, financial institutions and counterparties with high credit ratings assigned by international and domestic credit rating agencies.

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. 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.

Liquidity Risk

Liquidity risk refers to the risk that we cannot meet our financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. We have obtained fund based working capital limits from banks. We invest our surplus funds in liquid/ short duration mutual funds or bank fixed deposit, which carry no or low market risk.

We monitor our risk of shortage of funds on a regular basis. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. We assessed the concentration of risk with respect to refinancing our debt and concluded it to be medium.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 423 and 39, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 423 and 39, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 39, 246 and 423 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*", "*Our Business*" and on pages 39, 209 and 246, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in "*– Fiscal 2025 compared to Fiscal 2024*", and "*– Fiscal 2024 compared to Fiscal 2023*" above on pages 451 and 455, respectively.

SEGMENT REPORTING

Our business activity primarily falls within 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. For further information, see "*Restated Consolidated Financial Information – Note 36 – Segment Information*" on page 409.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

We have derived and believe that in the foreseeable future will continue to derive, a significant portion of our revenues from a limited number of customers which may not be the same every year. Set forth below are certain details regarding revenues derived from our top customer, top five customers and top ten customers for the years indicated:

Particulars	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Revenue from top customer* (₹ million)	989.28	16.54%	358.11	6.82%	284.17	11.13%
Revenue from top five customers* (₹ million)	2,593.00	43.35%	1,604.65	30.56%	930.60	36.45%

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Revenue from top ten customers* (₹ million)	3,511.79	58.71%	2,502.10	47.66%	1,392.17	54.53%

**References to 'Customer' are to customers in a particular Fiscal and does not refer to the same customers across all Fiscals.*

For further information, see "*Risk Factors – We generate a significant portion of our revenues from a limited number of customers (our top five and top 10 customers contributed to 43.35% and 58.71%, respectively, of our revenue from operations in Fiscal 2025), and any loss or reduction of business from these customers could reduce our revenues and materially adversely affect our business, results of operations, financial condition, and cash flows.*" on page 40.

SEASONALITY/ CYCLICALITY OF BUSINESS

While our business is not seasonal, however, our business prospects and future financial performance depend on the demand of our loyalty solutions.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2025 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since March 31, 2025 that could materially and adversely affect or are likely to affect, the trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months:

Our Subsidiary, Capillary Technologies LLC ("**CTL**") entered into a purchase and sale agreement dated March 31, 2025 with Loyalty Solutions Holdings US Inc. ("**LSI**"), wherein CTL will acquire the entity named Kognitiv Solutions Inc., a wholly owned subsidiary company incorporated in Ontario, Canada (a wholly owned subsidiary of LSI) and purchase all of the issued and outstanding shares of Kognitiv Solutions Inc. being 100 common shares, for a consideration of CAD $2,331,840, along with all the intellectual property owned or purported to be owned by LSI for a consideration of CAD $4,388,160. The said transaction was subject to regulatory approvals, which were obtained on April 29, 2025. CTL is in the process of getting the appropriate details of assets and liabilities as on May 1, 2025 and hence, the detailed disclosure on acquisition of assets and liabilities as on the date of transfer is not disclosed. The date of transfer is May 1, 2025.

Further, on March 31 2025, CTL entered into an asset purchase agreement with Kognitiv US LLC ("**Kognitiv US**"), wherein CTL has acquired certain assets and liabilities from Kognitiv US at a total considerations of CAD $ 17,280,000. The said transaction was subject to regulatory approvals, which were obtained on April 29, 2025 and the entity is in the process of being transferred owing to certain customary closing conditions as on the date of the Restated Consolidated Financial Information. The date of transfer is May 1, 2025.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as on March 31, 2025, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 423, 360, and 39, respectively.

(*in ₹ million, except ratio*)

Particulars	Pre-Offer as at March 31, 2025#	Post-Offer*
Borrowings		
Current Borrowings (A)	988.12	[●]
Non-current Borrowings (B)	12.82	[●]
Borrowings (C=A+B)	**1,000.94**	[●]
Equity		
Equity share capital (D)	146.65	[●]
Other equity (E)	5,535.82	[●]
Total Equity (F=D+E)	**5,682.47**	[●]
Total capitalisation (G=C+F)	**6,683.41**	[●]
Debt to Equity Ratio: Borrowings (C) / Total equity (F)	**0.18**	[●]
Non-current Borrowings (including current maturities of long-term nature)/ Total Equity (H = B/F)	***Negligible***	[●]

* *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the Book Building Process and hence has not been furnished. To be updated upon finalization of the Offer Price.*
#*As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*

FINANCIAL INDEBTEDNESS

Our Company and one of our Subsidiaries, namely CTL have availed loans and financing facilities in the ordinary course of our business for meeting the working capital and business requirements. Our Board is empowered to borrow monies as may be required for the purpose of the business of our Company, in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association. For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers*" on page 333.

Our Company and CTL have made the required intimations and obtained the necessary consents required under the relevant financing documentation for undertaking the Offer and activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in our management and the same have not been withdrawn as on the date of this Draft Red Herring Prospectus.

The details of the indebtedness of the Company (on a consolidated basis) as on March 31, 2025, is provided below:

(in ₹ millions)

Category of borrowing	Name of the lender	Sanctioned amount	Outstanding amount*
Secured			
Term loans	U.S. Small Business Administration	13.54	13.54
Fund-based working capital facilities	(i) The Hongkong and Shanghai Banking Corporation; (ii) HDFC Bank Limited; and (iii) Bank of America	667.83	470.02
Non-fund based working capital facilities			
Over-draft facilities		536.00	499.99
Sales invoice discounting	HDFC Bank Limited	50.00	17.39
Total secured facilities		**1,267.37**	**1,000.94**
Total unsecured facilities		Nil	Nil
Borrowings		**1,267.37**	**1,000.94**

**As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant to their certificate dated June 18, 2025.*

Principal terms of the borrowings availed by our Company and CTL:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by our Company and CTL in relation to our indebtedness that may require the consent of the relevant lender, the breach of which may amount to an event of default under the various borrowing arrangements entered into by us. See "*Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows*." on page 69.

1. ***Interest:*** The applicable rate of interest for the sales invoice discounting and the working capital facilities availed by our Company are typically linked to the secured overnight financing rate ("**SOFR**"), or marginal cost of lending rate or treasury bills over a specific period of time and are subject to mutual discussions between the relevant lenders and our Company, along with spreads ranging from 1.75% to 2.5% with varying reset options. Commission payable for the bank guarantee facilities availed by our Company and CTL is 0.75% per annum. The rate of interest for our bank overdraft facilities is typically the underlying fixed deposit interest along with a mark-up interest of 1.5%.

   The rate of interest for the credit facility availed by our subsidiary, CTL is linked to the SOFR daily floating rate along with a spread of 2.13%.

2. ***Penal Interest***: The default penal interest payable on the facilities availed by our Company and CTL is typically 6% - 24% per annum over and above the applicable interest rate.

3. ***Pre-payment penalty:*** The facilities availed by us generally have prepayment provisions which allow for pre-payment of the outstanding loan amount on providing prior notice to the concerned lender or receiving prior approval from such concerned lender, subject to a prepayment premium of 2% to 4% per annum, or as laid down in the facility document, as the case may be.

4. ***Validity/Tenor:*** The tenor of overdraft facilities availed by our Company and CTL are up to 12 months and that of our pre and post-shipment credit facility and sales invoice discounting facility is 4 and 6 months respectively. The tenor of our bank guarantee is 12 months.

5. ***Security:*** The sales invoice discounting and the working capital facilities availed by our Company is typically secured by way of:

   (a) first pari passu charge over all the existing and future current assets (excluding receivables discounted by other banks) and moveable fixed assets.

   (b) exclusive charge on our entire receivables discounted by the relevant lender;

   (c) charge on our immovable properties and fixed deposits; and

   The bank guarantees and the over-draft facilities are secured by cash margin by way of fixed deposits placed under lien in favour of the lender.

   The credit facility availed by CTL has been secured by way of pari passu charge by way of hypothecation over the current assets of CTL both present and future, including tangible and intangible personal property such as inventory, equipment, instruments, chattel paper, and other assets.

6. ***Repayment:*** While the overdraft facility is repayable on demand, the payment for sales invoice discounting facilities shall be made on the due date based on the disbursement against invoices raised to the agreed upon customer. The payment for pre/post-shipment credit facility shall be made on the due date as per the facility letter.

7. ***Key Covenants:*** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, *inter alia* the following:

   (a) Change in capital structure or shareholding pattern or ownership or control of our Company;

   (b) Change in the management or management set up of our Company;

   (c) Creation of further charge or any other encumbrance on the security provided for our borrowings;

   (d) Amendment or modification of constitutional documents of our Company;

   (e) Formulation of scheme of merger, demerger, reconstruction, amalgamation or corporate reconstruction; and

   (f) Dilution or transfer of promoters shareholding and non-maintenance of shareholding of promoters/ directors at the prescribed threshold.

8. ***Events of default:*** Borrowing arrangements entered into by us, contain standard events of default, *inter alia* the following:

   (a) Default in payment of interest or instalment amount due;

   (b) Being adjudicated as insolvent or a receiver being appointed in respect of the whole or any part of the property;

   (c) Breach of any terms and conditions as mentioned under the borrowing agreements;

   (d) If our company ceases or threatens in writing to cease to carry on its business or gives notice in writing of its intention to do so;

   (e) Any change in the condition or circumstances of the company that has resulted in a material adverse effect;

   (f) Any default under any other agreements or other writings with the lender; and

   (g) Occurrence of any circumstances which could materially jeopardize, the security created in favour of the bank

9. ***Consequences of events of default***: In terms of our borrowing arrangements, as a consequence of events of occurrence of events of default, our lenders may, *inter alia*:

    (a) Declare the outstanding amount of the facility respect of facility due and payable;

    (b) Appoint nominee director or observer on the board of directors of the company;

    (c) Conversion of outstanding loan obligations into equity or other securities;

    (d) Enforce the security in case of payment default; and

    (e) Suspend or cancel further drawings under the facility.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, see "*Financial Statements – Restated Consolidated Financial Information – Note 35 Related Party Disclosures under Ind AS-24*" on page 403.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings(including any notices received for such criminal proceedings and matters at FIR stage or police complaints even if no cognizance has been taken by any court) involving our Company, Subsidiaries, Directors, or Promoters (the "**Relevant Parties**"); (ii) actions taken by statutory or regulatory authorities involving the Relevant Parties (iii) claims relating to direct and indirect taxes in a consolidated manner, involving the Relevant Parties; and (iv) other pending litigations or arbitration proceedings involving the Relevant Parties which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below). Further, there are no disciplinary actions (including penalties) imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action. Further, except as disclosed in this section, there are no outstanding (i) criminal proceedings; and (ii) actions by regulatory or statutory authorities involving our Key Managerial Personnel and members of our Senior Management.*

For the purpose of (iv) above, our Board has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties pursuant to Board resolution dated April 20, 2025:

*All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax matters (direct or indirect), will be considered material if: (a) the monetary amount of claim/dispute, to the extent quantifiable, involved in any such outstanding litigation is equivalent to or in excess of (i) 2% of turnover, as per the latest Fiscal included in the Restated Consolidated Financial Information of the Company; or (ii) 2% of net worth, as per the latest Fiscal included in the Restated Consolidated Financial Information of the Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information of the Company for the last three Fiscals, whichever is lower, in this case being 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information of the Company for the last three Fiscals , i.e., ₹ 26.73 million ("**Materiality Threshold**"); or (b) any outstanding litigation/arbitration proceeding, where the monetary impact is not determinable or quantifiable or does not exceed the Materiality Threshold, but an adverse outcome of which would materially and adversely affect the business, prospects, operations, performance, financial position or reputation of the Company or where a decision in one proceeding is likely to affect the decision in similar proceedings, such that the cumulative monetary impact in such proceedings exceeds the Materiality Threshold even though the monetary impact in the individual proceedings may not exceed the Materiality Threshold or pertaining to the title of the portfolio (held directly/indirectly by the Company) will be deemed material.*

Additionally, any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a 'material impact' on our Company, if an adverse outcome from such pending litigation would materially and adversely affect the business, prospects, operations, performance or financial position or reputation of our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or governmental or tax or judicial authorities or notices threatening criminal action) have not and shall not be considered material until such time that the Relevant Party is impleaded before any judicial forum. Except as stated below, there are no findings/observations of any inspections by SEBI or any other regulator involving the Relevant Parties, which are material, and which need to be disclosed, or non-disclosure of which may have bearing on the investment decision in relation to the Offer.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

(a) Outstanding legal proceedings against our Company

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no criminal proceedings against our Company.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings against our Company.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings against our Company.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus there are no actions by statutory or regulatory authorities against our Company.

(c) Outstanding legal proceedings by our Company

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no criminal proceedings initiated by our Company.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings initiated by our Company.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings initiated by our Company.

(d) Tax proceedings involving our Company

Except as mentioned below, there are no pending claims related to direct and indirect taxes involving our Company as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	2	Not quantifiable#
Indirect tax	1	Not quantifiable&
Total	**3**	**Not quantifiable**

* *To the extent quantified.*

#*The following proceedings are not quantifiable: (i) The first case pertains to a notice that has been issued to Capillary Technologies India Limited, under section 92CA(2) of Income Tax Act, 1961, Computation of Arm's Length Price-Assessment Year 2023-24. The amount in dispute or demand cannot be quantified at this stage of proceedings. (ii) The second case pertains to a notice that has been issued to Capillary Technologies India Limited, under section 142(1) of Income Tax Act, 1961, for the assessment year 2023-24. The amount in dispute or demand cannot be quantified at this stage of proceedings.*

&*Includes a case pertaining to a notice for GST audit that have been issued to Capillary Technologies India Limited, under section 65 of CGST Act, 2017, for the financial year 2021-22. The amount in dispute or demand cannot be quantified at this stage of proceedings.*

LITIGATION INVOLVING OUR SUBSIDIARIES

(a) Outstanding legal proceedings against our Subsidiaries

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal proceedings against our Subsidiaries.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings against our Subsidiaries.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings against our Subsidiaries.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus there are no outstanding actions by statutory and regulatory authorities against our Subsidiaries.

(c) Outstanding legal proceedings by our Subsidiaries

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no criminal proceedings initiated by our Subsidiaries.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings initiated by our Subsidiaries.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings initiated by our Subsidiaries.

(d) Tax proceedings involving our Subsidiaries

Except as mentioned below, there are no pending claims related to direct and indirect taxes involving our Subsidiary as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	3	7.12
Indirect tax	1	Not quantifiable#
Total	**4**	**7.12**

**To the extent quantifiable*

 # This case pertains to notice for audit that have been issued to Capillary Brierley Inc, Sales and use tax audit for the period from December 1, 2021 to March 31, 2025. The amount in dispute or demand cannot be quantified at this stage of proceedings.

LITIGATION INVOLVING OUR DIRECTORS

(a) Outstanding litigation proceedings against Directors

(i) Criminal proceedings against our Directors

1. Novex Communications Private Limited filed two criminal complaints each against Majesco Limited, Farid Lalji Kazani and others before the Chief Judicial Magistrate, Pune, under section 156(3) of the Code of Criminal Procedure, 1973, for alleged violation under Sections 63 and 69 of the Copyright Act, and Sections 418 and 34 of the Indian Penal Code, 1860 on account of certain loss suffered by Novex Communications Private Limited. The matter is currently pending.

2. Rajesh Kumar Jain and Sangeeta Jain (together the "**Complainants**") lodged an FIR against Neelam Dhawan in her capacity as the director of ICICI Bank Limited ("**Bank**"), under section 156(3) of Criminal Procedure Code, 1973, alleging that they had purchased certain shares of the Bank during the years 1992 to 1995. The share certificates in relation to the purchased shares got misplaced by the Complainants, hence they approached the Bank requesting the issuance of duplicate share certificates. The Bank had informed the Complainants that such shares were already sold and denied the new share certificates. The matter is currently pending.

3. Infiniti Retail Limited filed a complaint against Inam Commercial Enterprises Private Limited, Hewlett Packard, Neelam Dhawan, the State of Maharashtra and others ("**Respondents**"), under Section 420 of the Indian Penal Code, 1860. The Respondents filed a quashing petition in the High Court of Bombay, seeking to stop legal proceedings or cancel the FIR in the disputed case. Pursuant to the order by the High Court of Bombay, the interim relief that was provided to the petitioners was vacated and the trial court is at liberty to proceed with the matter. The matter is currently pending.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings against our Directors.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings against our Directors.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus there are no outstanding actions by statutory and regulatory authorities against our Directors.

(c) Outstanding litigation proceedings by our Directors

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no criminal proceedings initiated by our Directors.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings initiated by our Directors.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings initiated by our Directors.

(d) ***Tax proceedings involving our Directors***

Except as mentioned below, there are no pending claims related to direct and indirect taxes involving our Directors as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

* *To the extent quantified.*

LITIGATION INVOLVING OUR PROMOTERS

(a) Outstanding litigation proceedings against our Promoters

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal proceedings against our Promoters.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings against our Promoters.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings against our Promoters.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus there are no outstanding actions by statutory and regulatory authorities against our Promoters.

(c) Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions against our Promoters and no disciplinary action nor any penalty has been imposed by SEBI or stock exchanges in the last five financial years.

(d) Outstanding litigation proceedings by our Promoters

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus there are no criminal proceedings initiated by our Promoters.

(ii) Material civil proceedings

As on the date of this Draft Red Herring Prospectus there are no material civil proceedings initiated by our Promoters.

(iii) Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other material proceedings initiated by our Promoters.

(e) Tax proceedings involving our Promoters

Except as mentioned below, there are no pending claims related to direct and indirect taxes involving our Promoters as on the date of this Draft Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

* *To the extent quantified.*

LITIGATION INVOLVING OUR KMPs AND SMPs

(a) Outstanding legal proceedings against our KMPs and SMPs

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against our KMPs and SMPs.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and regulatory authorities against our KMPs and SMPs.

(c) Outstanding legal proceedings by our KMPs and SMPs

(i) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings initiated by our KMPs and SMPs.

LITIGATION INVOLVING OUR GROUP COMPANIES

As on the date of this Draft Red Herring Prospectus, our Group Companies are not party to any outstanding litigation which will have a material impact on our Company.

OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' if amounts due to such creditor is equivalent to or in excess of 5.00% of the total trade payables of the Company as of March 31, 2025 as reported in the Restated Consolidated Financial Information ("**Material Creditors**"). Our total trade payables as of March 31, 2025, was ₹ 505.75 million and accordingly, creditors to whom outstanding dues as of March 31, 2025, exceed ₹25.29 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2025, is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises*	26	13.23
Dues to Material Creditor(s)	3	166.62
Dues to other creditors#	211	325.90
Total	**240**	**505.75**

 # As certified by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, pursuant their certificate dated June 18, 2025.

** 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, 2025 has been based on information received and available with the Company.*

#Provision for accrued expenses of ₹ 5.40 million have been classified as trade payables for which number of cases are not determined.

For details of outstanding over-dues to the Material Creditors as on March 31, 2025 (along with the names and amounts involved for each such Material Creditor), see https://www.capillarytech.com/investors/.

MATERIAL DEVELOPMENTS

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition*" on page 423 and as otherwise disclosed this Draft Red Herring Prospectus, no circumstances have arisen since March 31, 2025, the date of the last Restated Consolidated Financial Information disclosed in this Draft Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

The business activities and operations of our Company and our Material Subsidiaries require various approvals, licenses, registrations and permits issued by relevant central, state, and regulatory authorities under various rules and regulations. Except as disclosed herein, our Company and our Material Subsidiaries have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations and to undertake the Offer. Except as disclosed below, no further material approvals are required for carrying on the present business activities and operations of our Company and our Material Subsidiaries. In the event any of the approvals and licenses that are required for the business operations of our Company or our Material Subsidiaries expire in the ordinary course, we make applications for their renewal from time to time, in accordance with applicable requirements and procedures. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For incorporation details of our Company and our Material Subsidiaries, see "History and Certain Corporate Matters" on page 306.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 294. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, cash flows and results of operations." on page 80.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities.

The approvals required to be obtained by us include the following:

APPROVALS RELATING TO THE OFFER

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 487.

MATERIAL APPROVALS OBTAINED IN RELATION TO OUR BUSINESS

Corporate approvals

A. Company

(a) Certificate of incorporation dated March 15, 2012 issued to our Company, under the name "Kharagpur Technologies Private Limited" by the RoC.

(b) Fresh certificate of incorporation dated July 26, 2012 issued to our Company, under the name "Capillary Technologies India Private Limited" by the RoC pursuant to the change in name of the Company from "Kharagpur Technologies Private Limited" to "Capillary Technologies India Private Limited."

(c) Fresh certificate of incorporation dated November 23, 2021 issued to our Company, under the name "Capillary Technologies India Limited" by the RoC pursuant to conversion of the Company from a private limited company to a public limited company.

(d) The CIN of our Company is U72200KA2012PLC063060.

B. Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material corporate approvals in relation to our Material Subsidiaries:

(a) Capillary Pte. Limited

1. CPL was incorporated as a private company limited by shares on July 21, 2021 under the laws of Singapore.

(b) *Capillary Technologies Europe Limited*

1. Capillary Europe was incorporated as Jarvis Limited, a private limited on December 30, 1996 under the laws of England and Wales. On April 3, 1997, the name of the company was changed to Brierley Europe Limited and was subsequently changed to Capillary Technologies Europe Limited on April 14, 2023.

2. Capillary Europe has obtained the certificate of incorporation dated December 30, 1996 from the Companies House for England and Wales.

(c) *Capillary Brierley Inc.*

1. Capillary Brierley is a private corporation that was incorporated under the name Targeted Marketing Systems, Inc. on May 21, 1984, under the laws of the state of Delaware. On January 11, 2000, the name of the company was changed to e-lationship.com Inc, and subsequently to Brierley & Partners Inc. on December 5, 2000. On July 3, 2023, upon the acquisition of Brierley & Partners Inc., the name of the company was changed to Capillary Brierley, Inc.

2. Capillary Brierley has obtained the Texas registration dated February 5, 1985 from the Secretary of State, Texas Business Organisations.

(d) *Capillary Technologies LLC*

1. CTL was initially incorporated on March 25, 2011, as Persuade Loyalty, Inc. Thereafter, on October 30, 2013, the company was converted into a limited liability company under the Minnesota Statutes and the name of the company was changed to Persuade Loyalty LLC on July 19, 2013. Subsequently, Persuade Loyalty LLC changed its name to Capillary Technologies LLC on July 15, 2022.

2. CTL has obtained Minnesota business registration dated October 30, 2013 from the Minnesota Secretary of State.

Labour related approvals

A. Company

(a) Our Company has obtained registrations under various employee and labour-related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Contract Labour (Regulation and Abolition) Act, 1970 and the Employees' State Insurance Act, 1948, as amended.

(b) Our Company has obtained commercial establishment licenses under:

(i) the Karnataka Shops and Establishment Act, 1961 for our Registered and Corporate Office located in Bangalore, and our business operations located in Mysore; and

(ii) the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 1954 for our business operations located in Pune.

B. Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material labour-related approvals in relation to our Material Subsidiaries:

(a) *Capillary Pte. Limited*

Nil

(b) *Capillary Technologies Europe Limited*

Nil

(c) *Capillary Brierley Inc.*

1. Capillary Brierley has obtained the Delaware Payroll registration dated May 1, 2025 from the Delaware Department of Labor.

2. Capillary Brierley has obtained the Texas Payroll registration dated January 4, 2022 from the Texas Workforce Commission.

(d) Capillary Technologies LLC

1. CTL has obtained Minnesota Employment Regulations registration dated October 30, 2013 from the Minnesota Department of Employment and Economic Development.

Tax related approvals

A. Company

(a) Permanent Account Number being AAECK7007Q issued by the Income Tax Department, Government of India, under the IT Act.

(b) Tax Deduction Account Number being BLRK11547E issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.

(c) Registration number being 29AAECK7007Q1ZY issued under the Goods and Service Tax Act, 2017 by the Government of India for our business operations located in Bangalore, and Mysore.

(d) The registration certificate issued by the Professional Tax Officer, Bangalore, under the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 on April 19, 2013, bearing registration number 314546840.

B. Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material tax-related approvals in relation to our Material Subsidiaries:

(a) Capillary Pte. Limited

Nil

(b) Capillary Technologies Europe Limited

1. Capillary Europe has obtained the Her Majesty's Revenue and Customs ("**HMRC**") value added tax registration dated April 30, 1997 from the HMRC department.

2. Capillary Europe has obtained the HMRC tax registration dated December 30, 1996 from the HRMC department.

3. Capillary Europe has obtained the PAYE number registration dated June 1, 2016 from the HRMC department.

(c) Capillary Brierley Inc.

1. Capillary Brierley has obtained the Delaware Franchise Tax registration dated May 21, 1984 from the Secretary of State, Delaware Corporations Division.

2. Capillary Brierley has obtained the Delaware Corporate Tax registration dated February 28, 2025 from the Delaware Department of Revenue.

3. Capillary Brierley has obtained the Texas Corporate Tax registration dated January 1, 1991 from Texas Comptroller of Public Accounts.

(d) Capillary Technologies LLC

Nil

Material approvals in relation to the business operations of our Company and Material Subsidiaries

A. Company

(a) Our Company has obtained the Importer-Exporter Code number 0716905701 on May 27, 2016 issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

(b) Our Company has obtained the Software Technologies Parks of India registration on April 8, 2025 issued by the Software Technologies Parks of India, Ministry of Electronics and Information Technology.

B. Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material approvals in relation to the business operations of our Material Subsidiaries:

(a) Capillary Pte. Limited

Nil

(b) Capillary Technologies Europe Limited

Nil

(c) Capillary Brierley Inc.

Nil

(d) Capillary Technologies LLC

Nil

MATERIAL APPROVALS PENDING IN RESPECT OF OUR COMPANY

A. Material approvals or renewals for which applications are currently pending before relevant authorities

(a) ***Company***

As on date of this Draft Red Herring Prospectus, there are no material approvals or renewals which have been applied for and have not been received by our Company.

(b) Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material approvals or renewals which have been applied for and have not been received by our Material Subsidiaries:

(a) Capillary Pte. Limited

Nil

(b) Capillary Technologies Europe Limited

Nil

(c) Capillary Brierley Inc.

Nil

(d) *Capillary Technologies LLC*

Nil

B. ***Material approvals yet to be applied for***

(a) Company

As on date of this Draft Red Herring Prospectus, there are no material approvals or renewals which have not been applied for by our Company.

(b) Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material approvals or renewals which have not been applied for by our Material Subsidiaries:

(a) *Capillary Pte. Limited*

Nil

(b) *Capillary Technologies Europe Limited*

Nil

(c) *Capillary Brierley Inc.*

Nil

(d) *Capillary Technologies LLC*

Nil

C. Material approvals or renewals expiring in the near future which will require renewal:

(a) Company

As on date of this Draft Red Herring Prospectus, there are no material approvals or renewals expiring in the near future which will require renewal by our Company.

(b) Material Subsidiaries

Except as disclosed below, as on date of this Draft Red Herring Prospectus, there are no material approvals or renewals expiring in the near future which will require renewal by our Material Subsidiaries:

(a) *Capillary Pte. Limited*

Nil

(b) *Capillary Technologies Europe Limited*

Nil

(c) *Capillary Brierley Inc.*

Nil

(d) *Capillary Technologies LLC*

Nil

INTELLECTUAL PROPERTY RIGHTS

A. Trademarks

(a) Company

(i) Registered

As on the date of this Draft Red Herring Prospectus, our Company owns ten valid and registered trademarks in India under various classes, which were initially assigned to our Material Subsidiary, CPL by our Promoter, CTIPL, under the deed of assignment of intellectual property dated November 20, 2021 and the deed of assignment of intellectual property dated February 26, 2023 and was further assigned by CPL to our Company pursuant to the deed of assignment of intellectual property dated February 28, 2023, for which we have valid registration certificates from the Trade Marks Registry, Government of India under the Trade Marks Act, 1999, as amended ("**Trade Marks Act**"). For further details, see "*History and Certain Corporate Matters*" on page 306.

Registered trademark/wordmark	Class of trademark under the Trade Marks Act	Registering Authority	Valid up to
Zero Serve	9, 35 and 42	Trade Marks Registry, Government of India	February 27, 2026
OmniChannel Engagement & Commerce	9, 35 and 42	Trade Marks Registry, Government of India	March 8, 2026
aiRA	42	Trade Marks Registry, Government of India	June 21, 2027
capillary	9	Trade Marks Registry, Government of India	March 23, 2028
capillary	9	Trade Marks Registry, Government of India	March 23, 2028
Capillary	9	Trade Marks Registry, Government of India	July 10, 2034

Further, (i) Capillary Brierley has provided consent to our Company to use any of its intellectual property rights under the consent letter dated April 1, 2024, and (ii) Capillary Technologies Inc. has provided a consent to our Company to use any of its IPR under the consent letter dated April 1, 2024.

(ii) Applied for

In addition to the registered trademarks listed above, as on the date of this Draft Red Herring Prospectus, our Company has made applications for registration/renewal of 23 trademarks under various classes before the Trade Marks Registry under the Trade Marks Act, which are pending at various stages in India.

The following table provides the details of the applications of such trademarks:

Class of the trademark under the Trade Marks Act, 1999	Total number of trademarks in the application stage	Number of trademarks objected$	Number of trademarks opposed$	Number of trademarks accepted and advertised
9	7	-	-	-
35	8	-	-	-
42	8	-	-	-

[$] The trademarks that have been objected to or opposed have been included in the calculation of the number of trademark applications made by our Company.

(b) Material Subsidiaries

(i) Capillary Pte. Limited

As on the date of this Draft Red Herring Prospectus, CPL has no registered trademarks. However, pursuant to the deed of assignment of intellectual property dated November 20, 2021 and the deed of assignment of intellectual property dated February 26, 2023, CPL has the right to use certain intellectual property rights (as specified in the annexures to the deed of assignment of intellectual property dated November 20, 2021 and the deed of assignment of intellectual property dated February 26, 2023), some of which was assigned to our Company under the deed of assignment of intellectual property dated February 28, 2023.

(ii) Capillary Technologies Europe Limited

As on the date of this Draft Red Herring Prospectus, Capillary Europe has no registered trademarks.

(iii) Capillary Brierley Inc.

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, Capillary Brierley has no registered trademarks:

Registered trademark/wordmark	Jurisdiction	Class of trademark under the relevant trademark laws	Registering authority	Valid up to
LOYALTYONDEMAND	United States	42	United States Patents and Trademarks Office	February 26, 2029
BRIERLEY + PARTNERS	United States	35 and 42	United States Patents and Trademarks Office	June 8, 2027
b brierley europe	European Union	35 and 16	European Union Trademark	September 2, 2025
BRIERLEY EUROPE	European Union	35 and 16	European Union Trademark	September 2, 2025
BRIERLEY	United Kingdom	35 and 42	Intellectual Property Office (UK)	February 13, 2030
b brierley europe	United Kingdom	35 and 16	Intellectual Property Office (UK)	September 2, 2025
BRIERLEY EUROPE	United Kingdom	35 and 16	Intellectual Property Office (UK)	September 2, 2025

(iv) Capillary Technologies LLC

As on the date of this Draft Red Herring Prospectus, CTL has no registered trademarks.

B. Patents

(a) Company

(i) Registered

As on the date of this Draft Red Herring Prospectus, our Company has no registered patents.

Further, (i) Capillary Brierley has provided consent to our Company to use any of its intellectual property rights under the consent letter dated April 1, 2024, and (ii) Capillary Technologies Inc. has provided a consent to our Company to use any of its intellectual property rights under the consent letter dated April 1, 2024.

Furthermore, CTIPL and CPL have provided consent to our Company to use two patents, one registered in the United States and one registered in Singapore, under the consent letter dated April 1, 2024.

(ii) Applied for

As on the date of this Draft Red Herring Prospectus, our Company has made an application for registration of one patent before the Patent Office under the Patents Act, 1970.

(b) Material Subsidiaries

(i) Capillary Pte. Limited

As on the date of this Draft Red Herring Prospectus, CPL has no registered patents.

For details pertaining deeds of assignment of intellectual property, please see "- *Intellectual Property Rights – Trademarks – Material Subsidiaries – Capillary Pte. Ltd.*" above.

(ii) Capillary Technologies Europe Limited

As on the date of this Draft Red Herring Prospectus, Capillary Europe has no registered patents.

(iii) Capillary Brierley Inc.

As on the date of this Draft Red Herring Prospectus, Capillary Brierley has no registered patents.

(iv) Capillary Technologies LLC

As on the date of this Draft Red Herring Prospectus, CPL has no registered patents.

For details of risk associated with intellectual property, see "*Risk Factors – Failure to protect our intellectual property rights could adversely affect our business and our brand.*" on page 69.

OUR GROUP COMPANIES

Pursuant to a resolution dated April 20, 2025, our Board formulated a policy for identification of group companies ("**Materiality Policy**") and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include the companies (other than the Subsidiaries and the Promoters): (a) with which there were related party transactions, during the period covered in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus; (b) if such company is a member of the Promoter Group and with which there were related party transactions in Fiscal 2025, covered in the Restated Consolidated Financial Information of the Company included in this Draft Red Herring Prospectus, which individually or in the aggregate, exceed 10% of the total revenue from operations of the Company for such period; and (c) companies other than disclosed in (a) and (b) above as may be considered 'material' by the Board. The Materiality Policy has been included in "*Material Contracts and Documents for Inspection – Material Documents in relation to the Offer*" on page 567.

Accordingly, in terms of the Materiality Policy, our Board has identified the following companies as group companies of our Company ("**Group Companies**").

1. MS Biotech Private Limited; and
2. Reasoning Global Eapplications Private Limited.

Details of our Group Companies

A. The details of our Group Companies are provided below:

1. MS Biotech Private Limited

Registered office

The registered office of MS Biotech Private Limited is situated at Plot no. 64, Sagar Society Road No 2, Banjara Hills, Hyderabad – 500 034, Telangana, India.

Nature of business

MS Biotech Private Limited is engaged in manufacturing of malt liquors.

Financial information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of MS Biotech Private Limited for the preceding three years, as required by the SEBI ICDR Regulations, is available on our Company's website at https://www.capillarytech.com/investors/.

2. Reasoning Global Eapplications Private Limited

Registered office

The registered office of Reasoning Global Eapplications Private Limited is situated at 2^{nd} Floor along with servent quarter, Bearing Plot No. 64, street no.- 1, Sagar Society, Road no.2, Banjara Hills, Hyderabad, Khairatabad – 500034, Telangana, India.

Nature of business

Reasoning Global Eapplications Private Limited is engaged in the business of information technology enabled services and products such as providing business process outsourcing services, setting up and running of call centers, transaction processing, medical transcription, legal transcription, design and development of management information systems and setting up of offshore development centers.

Financial information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Reasoning Global Eapplications Private Limited for the preceding three years, as required by the SEBI ICDR Regulations, is available on our Company's website at https://www.capillarytech.com/investors/.

Our Company is providing a link to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

Nature and extent of interest of our Group Companies

(a) ***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

(b) ***In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits between our Group Companies and our Company

There are no common pursuits between our Group Companies and our Company.

Related business transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Financial Statements – Restated Consolidated Financial Information - Note 35 – Related Party Disclosure*" on page 403, there are no other related business transactions with our Group Companies. Such transactions do not have any significant effect on the financial performance of our Company.

Business interest of our Group Companies in our Company

Except as disclosed in "*Financial Statements – Restated Consolidated Financial Information - Note 35 – Related Party Disclosure*" on page 403, our Group Companies do not have any business interest in our Company.

Litigations

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Other confirmations

The equity shares of our Group Companies are not listed on any stock exchange. For further details, see "*Other Regulatory and Statutory Disclosures*" on page 487.

None of our Group Companies have made any public or rights issue of securities in the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers/vendors of raw materials, third party service providers and lessor of the immovable properties (crucial for operations of the Company) and our Group Companies and its directors.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised pursuant to a resolution passed by our Board on May 23, 2025 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated May 29, 2025 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the consent and authorisation of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution dated June 18, 2025.

This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on June 18, 2025 for filing with SEBI and the Stock Exchanges.

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of Selling Shareholder	Maximum number of Offered Shares and aggregate amount of offer for sale	Date of consent letter	Date of corporate action / authorisation
Promoter Selling Shareholder			
CTIPL	Up to 14,211,104 equity shares of face value ₹2 each aggregating up to ₹ [●]	June 13, 2025	May 29, 2025
Investor Selling Shareholders			
Ronal Holdings LLC	Up to 1,466,583 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 17, 2025	June 10, 2025
Trudy Holdings	Up to 1,833,228 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 17, 2025	March 5, 2025
Filter Capital India Fund I	Up to 759,938 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 16, 2025	May 13, 2025
Individual Selling Shareholders			
Sripathi Venkata Ramana Reddy	Up to 10,800 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
Harminder Sahni	Up to 24,349 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
Adarsh Reddy B	Up to 10,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
Sudhakar Reddy Katanguri	Up to 8,384 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
Sripathi Damodar Reddy	Up to 3,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA
Manjunath Nanjaiah	Up to 4,000 equity shares of face value ₹2 each aggregating up to ₹[●] million	June 13, 2025	NA

The Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulations 8 and 8A of the SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by the SEBI, RBI or other Governmental Authorities

Our Company, each of the Selling Shareholders, severally and not jointly, our Promoters, our Directors, the members of the Promoter Group and the persons in control of our Company have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Our Company, Promoters or Directors have neither been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024.

Our Company or our Promoters, members of the Promoter Group or Directors are not declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of the SEBI ICDR Regulations.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018 ("SBO Rules")

Our Company, our Promoters, each of the Selling Shareholders and the members of the Promoter Group, each severally and not jointly, confirm that they are in compliance with the SBO Rules, in relation to the Company, as applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Regulation 6(1) of the SEBI ICDR Regulations requires the issuer company to have: (i) a net tangible assets of at least ₹30.00 million calculated on a restated basis, in each of the preceding three full years of which not more than fifty per cent are to be held in monetary assets; (ii) an average profit of at least ₹150.00 million, calculated on a restated basis, during the preceding three years, with operating profit in each of these preceding three years; (iii) net worth of at least ₹10.00 million calculated on a restated basis for the preceding three full years; and (iv) if the issuer company has changed its name within the last one year, at least fifty percent of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name.

Our Company does not meet certain requirements of Regulation 6(1) of the SEBI ICDR Regulations as follows:

(a) the net tangible assets of at least ₹ 30.00 million in each of the preceding three full financial years, calculated on a restated basis. Further, more than fifty percent of the net tangible assets were held in monetary assets; and

(b) an average operating profit of at least ₹ 150.00 million calculated on a restated basis during the preceding three financial years, with operating profit earned in each of preceding three financial years.

(₹ in million)

Particulars	Financial Years ended		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Restated net tangible assets (A)	2,836.00	2,497.56	(322.20)
Restated monetary assets (B)	2,371.24	3,039.56	581.81
Monetary assets as a % of net tangible assets (%), as restated (B/A)	83.61 %	121.70 %	(180.57)%
Restated Operating Profit/(Loss)	40.06	(565.34)	(1,037.51)
Net worth	4,814.24	4,521.29	997.46

Notes:

1. *Restated Net tangible assets mean the sum of all assets of the Company on a restated consolidated basis as per Restated Consolidated Financial Information of the Company and excluding intangible assets, and intangible assets under development as defined in Indian Accounting Standard 38, right-of-use assets as per Ind AS 116, deferred tax assets less total liabilities excluding deferred tax liabilities and lease liabilities.*
2. *"Restated Monetary Assets" = Cash on hand plus balance with bank in current accounts plus deposits due to be matured within twelve months of the reporting date plus deposits with maturity of more than 12 months on restated basis plus corporate deposits with remaining maturity of less than 12 months plus current investment in Mutual Funds.*
3. *"Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve; and*
4. *"Restated Operating Profit/(Loss)" means Profit/(Loss) before tax, excluding, exceptional items, finance cost and other income, as per Restated Statement of Profit and Loss Account.*

For more details, please refer to "*Other Financial Information*" on page 422.

Our Company is required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations, as set forth below:

"*An issuer not satisfying the condition stipulated in Regulation 6(1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the offer is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent of the offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws. Please see "*Offer Structure*" on page 512.

Our Company confirms that it is in compliance with the conditions specified in Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of compliance with Regulation 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(a) Neither our Company nor the Promoters, members of the Promoter Group, or the Directors or any of the Selling Shareholders are debarred from accessing the capital markets by SEBI.

(b) None of the Promoters or the Directors are promoters or directors of companies which are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authorities.

(c) None of the Promoters or the Directors has been declared a Fugitive Economic Offender.

(d) Except for the outstanding options granted pursuant to the ESOP 2021, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus. For more details, please refer to section "*Capital Structure – Notes to the Capital Structure*" on page 114.

(e) None of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.

(f) All the Equity Shares of our Company held by our Promoters are in dematerialised form.

(g) Our Company has entered into tripartite agreements with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares.

(h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(i) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

Each of the Selling Shareholders, severally and not jointly, confirms that the Equity Shares offered by them as part of the Offer for Sale have been held in compliance with Regulations 8 of the SEBI ICDR Regulations and that they are the legal and beneficial owners of the Offered Shares.

In accordance with Regulation 8A of the SEBI ICDR Regulations; (i) the number of Equity Shares offered for sale by each of the Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of our Company (on a fully- diluted basis), does not exceed more than 50% of their respective pre-Offer shareholding (on a fully- diluted basis); and (ii) the number of Equity Shares offered for sale by each of the Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of our Company (on a fully- diluted basis), does not exceed more than 10% of the pre-Offer shareholding of our Company (on a fully- diluted basis). Further, the limits set out in (i) and (ii) above shall be calculated with reference to the shareholding as on the date of filing of the DRHP and shall apply cumulatively to the total number of shares offered for sale to the public and any secondary sale transactions prior to the issue.

For details on the authorisations of each of the Selling Shareholders in relation to the Offer, see "*The Offer*" on page 96.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, BEING JM FINANCIAL LIMITED, IIFL CAPITAL SERVICES LIMITED (FORMERLY KNOWN AS IIFL SECURITIES LIMITED), AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 18, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS AND THE RED HERRING PROSPECTUS.

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All applicable legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website "www.capillarytech.com" , would be doing so at his or her own risk.

Each of the Selling Shareholders, as applicable, accept no responsibility for any statements or undertakings provided made in this Draft Red Herring Prospectus, other than those specifically undertaken or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, and anyone placing reliance on any other source of information, including advertisements, or any other material issued by or at our Company's instance, our Company's website at www.capillarytech.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders (only with respect to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, each of the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, Karnataka only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds registered with the SEBI, VCFs, FVCIs, AIFs, public financial institutions as specified under Section 2(72) of the Companies Act, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, permitted insurance companies and pension funds, insurance funds set up and managed by the army, navy or air force and insurance funds set up and managed by the Department of Posts, Government of India) and permitted Non-Residents including Eligible FPIs registered with SEBI and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Draft Red Herring Prospectus does not constitute an invitation to subscribe to, offer to sell or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus for the Offer if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus was filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of any of the Selling Shareholders (severally and not jointly) from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the filing with the RoC.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI.

If our Company does not Allot Equity Shares pursuant to the Offer within two Working Days from the Bid / Offer Closing Date or within such timeline as prescribed by the SEBI, the Company shall refund the money raised in the Offer, together with any interest on such money as required under applicable laws, to the Bidders if required to do so for any reason under applicable laws, including due to failure to obtain listing or trading approval or pursuant to any direction or order of SEBI or any other governmental authority. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds as required under the Companies Act, 2013 and any other applicable law will be reimbursed by such Selling Shareholder as agreed among our Company and the Selling Shareholders in writing, in proportion to its respective portion of the Offered Shares and as per Applicable Law. Provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Each of the Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, in relation to timely completion of the Offer within the timelines as per the Applicable Law, to the extent such reasonable support and cooperation is in relation to such Selling Shareholder and its respective Offered Shares.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary, and Compliance Officer, Promoters, the Statutory Auditors, the legal counsels appointed as to Indian law, independent chartered accountant, industry data provider, the bankers to our Company, the BRLMs and Registrar to the Offer, to act in their respective capacities, have been obtained; and (b) Monitoring agency, the Syndicate Member(s), Escrow Bank, Public Offer Bank, Sponsor Bank(s) and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents obtained under (a) above have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received the written consent dated June 18, 2025 from Walker Chandiok & Co LLP , our Statutory Auditor holding a valid peer review certificate from ICAI, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report dated June 18, 2025 on our Restated Consolidated Financial Information; and (ii) their report dated June 18, 2025 on the statement of possible special tax benefits available to the Company and its respective Shareholders and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term “expert” as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 18, 2025 from Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, holding a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in their capacity an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 14, 2025 from Ecra Pte. Ltd., Tax Agents, as independent chartered accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of Companies Act 2013 in respect of its letter dated June 14, 2025 on the statement of special tax benefits available to CPL being a Material Subsidiary of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term “experts” as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 13, 2025 from PBG Associates Ltd., Chartered Accountants, as independent chartered accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter dated June 13, 2025 on the statement of special tax benefits available to Capillary Europe being a Material Subsidiary of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Our Company has received a written consent dated June 14, 2025 from TruAnalyst Solutions LLP, Certified Public Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter dated June 14, 2025 on the statement of special tax benefits available to CTL and Capillary Brierley being Material Subsidiaries of the Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act, which is applicable only to transactions involving securities registered under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in "*Capital Structure - Share Capital History of our Company*" on page 114, our Company has not made any public issue or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issue by our Company and its listed subsidiaries, group company, associate entities in the preceding three years

Except as disclosed in "*Capital Structure - Share Capital History of our Company*" on page 114, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies or any listed subsidiaries. Our Company does not have any associate companies.

Performance vis-à-vis objects – public/ rights issue of our Company

Except as disclosed in "*Capital Structure - Share Capital History of our Company*" on page 114, our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – public/ rights issue of the listed subsidiary/Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters has no securities listed on any stock exchange. Our Company does not have any listed subsidiaries.

Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

Observations by regulatory authorities

There are no findings or observations pursuant to any inspections by SEBI or any other regulatory authority in India which are material and are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

Other confirmations

There has been no instance of issuance of equity shares in the past by the Company or entities forming part of the Promoter Group to more than 49 or 200 investors in violation of:

(a) Section 67(3) of Companies Act, 1956; or

(b) Relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or

(c) Applicable SEBI regulations, including the SEBI ICDR Regulation; or

(d) The SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

Past price Information of past issues handled by the BRLMs

A. JM Financial Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited:*

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Schloss Bangalore Limited	35,000.00	435.00	June 2, 2025	406.00	Not Applicable	Not Applicable	Not Applicable
2.	Ather Energy Limited*[8]	29,808.00	321.00	May 6, 2025	328.00	-4.30% [0.99%]	Not Applicable	Not Applicable
3.	Ajax Engineering Limited*[12]	12,688.84	629.00	February 17, 2025	576.00	-2.86% [-0.55%]	6.78% [8.97%]	Not Applicable
4.	Ventive Hospitality Limited*[11]	16,000.00	643.00	December 30, 2024	716.00	5.51% [-2.91%]	10.80%[-0.53%]	Not Applicable
5.	Inventurus Knowledge Solutions Limited*	24,979.23	1,329.00	December 19, 2024	1,900.00	40.85% [-3.13%]	13.77% [-4.67%]	30.17% [4.15%]
6.	Zinka Logistics Solutions Limited[# 7]	11,147.22	273.00	November 22, 2024	279.05	84.47% [-1.36%]	54.41% [-4.02%]	78.50% [2.62%]
7.	ACME Solar Holdings Limited*[10]	29,000.00	289.00	November 13, 2024	251.00	-6.02% [4.20%]	-25.62% [-0.75%]	-26.51% [1.91%]
8.	Western Carriers (India) Limited*	4,928.80	172.00	September 24, 2024	171.00	-20.69% [-5.80%]	-34.65% [-9.07%]	-52.05% [-9.98%]
9.	Bajaj Housing Finance Limited*	65,600.00	70.00	September 16, 2024	150.00	99.86% [-1.29%]	89.23% [-2.42%]	64.64% [-11.77%]
10.	Baazar Style Retail Limited[#9]	8,346.75	389.00	September 06, 2024	389.00	-1.32% [0.62%]	-16.11% [-0.28%]	-43.43% [-10.09%]

Source: www.nseindia.com and www.bseindia.com

 # BSE as Designated Stock Exchange

** NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 25 per Equity Share was offered to Eligible Employees bidding in the Emplsoyee Reservation Portion.*
8. *A discount of Rs. 30 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 35 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *A discount of Rs. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
11. *A discount of Rs. 30 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
12. *A discount of Rs. 59 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

2. *Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited:*

Financial Year	Total no. of IPOs	Total funds raised	Nos. of IPOs trading at discount on as on 30th calendar days from listing date	Nos. of IPOs trading at premium on as on 30th calendar days from listing date	Nos. of IPOs trading at discount as on 180th calendar days from listing date	Nos. of IPOs trading at premium as on 180th calendar days from listing date

		(` Millions)	Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2025-2026	2	64,808.00	-	-	1	-	-	-	-	-	-	-	-	-
2024-2025	13	2,55,434.10	-	-	5	5	2	1	1	3	1	4	1	1
2023-2024	24	2,88,746.72	-	-	7	4	5	8	-	-	5	7	5	7

B. <u>IIFL Capital Services Limited (formerly known as IIFL Securities Limited)</u>

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Capital Services Limited:

S. No.	Issuer Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Waaree Energies Limited	43,214.40	1,503.00	NSE	October 28, 2024	2,500.00	+68.05%, [-0.59%]	+49.15%, [-5.12%]	+78.80%, [-1.23%]
2.	Sagility India Limited	21,064.04	30.00[(1)]	NSE	November 12, 2024	31.06	+42.90%, [+3.18%]	+75.40%, [-1.35%]	+36.10%, [+0.52%]
3.	Zinka Logistics Solutions Limited	11,147.22	273.00[(2)]	BSE	November 22, 2024	279.05	+84.47%, [-1.36%]	+54.41%, [-4.02%]	+78.50%, [+2.62%]
4.	NTPC Green Energy Limited	1,00,000.00	108.00[(3)]	NSE	November 27, 2024	111.50	+16.69%, [-2.16%]	-8.89%, [-7.09%]	+3.00%, [+2.38%]
5.	Sai Life Sciences Limited	30,426.20	549.00	NSE	December 18, 2024	650.00	+30.57%, [-3.67%]	+28.39%, [-6.98%]	+40.26% [+2.15%]
6.	Ventive Hospitality Limited	16,000.00	643.00[(4)]	NSE	December 30, 2024	716.00	+5.51%, [-2.91%]	+10.80%, [-0.53%]	N.A.
7.	Standard Glass Lining Technology Limited	4,100.51	140.00	NSE	January 13, 2025	172.00	+14.49%, [-0.06%]	-2.76%, [-1.11%]	N.A.
8.	Hexaware Technologies Limited	87,500	708.00[(5)]	NSE	February 19, 2025	745.50	+3.45%, [+1.12%]	+5.16%, [+8.78%]	N.A.
9.	Aegis Vopak Terminals Limited	28,000.00	235.00	BSE	June 2, 2025	220.00	N.A.	N.A.	N.A.
10.	Schloss Bangalore Limited	35,000.00	435.00	NSE	June 2, 2025	406.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of Rs. 2 per equity share was offered to eligible employees bidding in the employee reservation portion.
(2) A discount of Rs. 25 per equity share was offered to eligible employees bidding in the employee reservation portion.
(3) A discount of Rs. 5 per equity share was offered to eligible employees bidding in the employee reservation portion.
(4) A discount of Rs. 30 per equity share was offered to eligible employees bidding in the employee reservation portion.
(5) A discount of Rs. 67 per equity share was offered to eligible employees bidding in the employee reservation portion.

**Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30^{th}, 90^{th} and 180^{th} calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30^{th} /90^{th} / 180^{th} calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.*

2. *Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Capital Services Limited:*

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	1	5	4	5
2024-25	16	4,81,737.17	-	-	1	6	4	5	-	2	-	6	3	2
2025-26	2	63,000.00	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

C. <u>Nomura Financial Advisory and Securities (India) Private Limited</u>

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Nomura Financial Advisory and Securities (India) Private Limited:*

Sr. No.	Issue name	Issue size (` millions)	Issue price(`)	Listing date	Opening price on listing date (in `)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Ather Energy Limited	29,807.61	321[1]	May 06, 2025	328.00	-4.30% [+0.99%]	Not applicable	Not applicable
2	Inventurus Knowledge Solutions Limited	24,979.23	1,329	December 19, 2024	1,900.00	+40.85% [-3.13%]	+13.77% [-4.67%]	+30.17% [+4.15%]
3	Afcons Infrastructure Limited	54,300.00	463[2]	November 04, 2024	426.00	+6.56% [+1.92%]	+2.03% [-2.03%]	-9.29% [+1.46%]
4	Waaree Energies Limited	43,214.40	1,503	October 28, 2024	2,500.00	+68.05% [-0.59%]	+49.15% [-5.12%]	+78.08% [-1.23%]
5	Aadhar Housing Finance Limited	30,000.00	315[3]	May 15, 2024	315.00	+25.56% [+5.40%]	+33.89% [+9.67%]	+45.98% [+8.77%]
6	Indegene Limited	18,417.59	452[4]	May 13, 2024	655.00	+24.28% [+5.25%]	+26.86% [+10.24%]	+52.57% [+9.25%]

7	Protean eGov Technologies Limited	4,899.51	792[5]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	+45.85% [+11.91%]
8	Avalon Technologies Limited	8,649.99	436	April 18, 2023	436.00	-10.09% [+2.95%]	+59.45% [+10.78%]	+21.32% [+11.84%]
9	Five-Star Business Finance Limited	15,885.12	474	November 21, 2022	468.80	+29.72% [+1.24%]	+19.20% [-1.19%]	+11.72% [+0.24%]
10	Life Insurance Corporation of India	205,572.31	949[6]	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [+9.47%]	-33.82% [+13.76%]

Source: *www.nseindia.com, www.bseindia.com*

1. *Discount of INR 30.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
2. *Discount of INR 44.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
3. *Discount of INR 23.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
4. *Discount of INR 30.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
5. *Discount of INR 75.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
6. *Discount of INR 60.00 per Equity Share was offered to eligible policyholders bidding in the Policyholder Reservation Portion, discount of INR 45.00 per Equity Share was offered to eligible employees and retail individual bidders bidding in the Employee Reservation Portion and the Retail Portion respectively*

Notes:

a. *For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue*
b. *For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations*
c. *In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered*
d. *Not applicable – Period not completed*
e. *Above list is limited to last 10 equity initial public issues*

2. *Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Nomura Financial Advisory & Securities (India) Private Limited*

Financial Year	**Total no. of IPOs**	**Total funds raised (` in millions)**	**Nos. of IPOs trading at discount on as on 30th calendar days from listing date**			**Nos. of IPOs trading at premium on as on 30th calendar days from listing date**			**Nos. of IPOs trading at discount as on 180th calendar days from listing date**			**Nos. of IPOs trading at premium as on 180th calendar days from listing date**		
			Over 50%	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2025-2026	1	29,807.61	-	-	1	-	-	-	-	-	-	-	-	-
2024-2025	5	170,911.22	-	-	-	1	2	2	-	-	1	2	2	-
2023-2024	2	13,549.50	-	-	1	-	1	-	-	-	-	-	1	1

Source*: www.nseindia.com, www.bseindia.com*

Notes*:*

a) *The information is as on the date of this document*
b) *The information for each of the financial years is based on issues listed during such financial year*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs mentioned below.

BRLMs	Website
JM Financial Limited	www.jmfl.com
IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	www.iiflcap.com
Nomura Financial Advisory and Securities (India) Private Limited	https://www.nomuraholdings.com/company/group/asia/nfaspl.html

For further details in relation to the BRLMs, see "*General Information – Book Running Lead Managers*" on page 104.

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

SEBI ICDR Master Circular, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds for cancelled / withdrawn / deleted cases in the stock exchange platforms, failure to unblock funds in cases of partial allotment by the next working day from the finalisation of basis of allotment, failure to unblock the funds in cases of non-allotment by the Issue Closing Date, SCSBs blocking multiple amounts for the same UPI mechanism, and SCSBs blocking more amount in the investors' accounts than the application amount. The compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day.

As per the SEBI ICDR Master Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts and invoice in the inbox by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members only to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In case of any delay in redressal of the investor grievance in relation to unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, in accordance with the SEBI ICDR Master Circular, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum or such other rate of interest as may be prescribed under applicable law for any delay beyond this period of 15 days.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From three Working Days from Bid/Offer Closing Date till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI RTA Master Circular.

Further, in terms of SEBI ICDR Master Circular, read with SEBI RTA Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the last date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer of our Company, the BRLMs and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All grievances in relation to the Bidding process, other than those of the Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Our Company has obtained SCORES authentication in terms of SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 read with SEBI circular bearing reference number SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 1, 2023 in relation to redressal of investor grievances through SCORES.

Our Company, the Selling Shareholders, the BRLMs, and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of investor grievances by our Company

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and issue of duplicate shares. Each of the Selling Shareholders have, severally and not jointly, authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares in the Offer for Sale.

Our Company has also appointed Gireddy Bhargavi Reddy, Company Secretary and Compliance Officer of our Company, as the compliance officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" on page 104.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders Relationship Committee comprising Neelam Dhawan (Chairperson), Aneesh Reddy Boddu (Member), and Farid Lalji Kazani (Member). For details, see "*Our Management – Committees of our Board - Stakeholders Relationship Committee*" on page 341.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

As on the date of this Draft Red Herring Prospectus here are no conflicts of interest between the suppliers/vendors of raw materials, third party service providers or lessors of immovable properties (crucial for operations of our Company) and our Company.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

*The Equity Shares being issued, offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, Confirmation of Allocation Note ("**CAN**"), the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.*

The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Other than (a) listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue, audit fees of statutory auditors (to the extent not attributable to the Offer) and expenses in relation to product or corporate advertisements consistent with past practice of the Company which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel appointed by the respective Selling Shareholders which shall be borne by the respective Selling Shareholders, the Company and the Selling Shareholders have agreed that all costs, charges, fees and expenses associated with and incurred directly with respect to the Offer shall be shared among the Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares (i) issued and Allotted by the Company through the Fresh Issue and (ii) sold by each of the Selling Shareholders through the Offer for Sale, in accordance with Applicable Law. However, all payments shall be made by the Company on behalf of the Selling Shareholders and consequently each of the Selling Shareholders severally and not jointly shall reimburse the Company for its respective proportion of Offer related expenses upon the success of the Offer. For further details, see "*Objects of the Offer – Offer Expenses*", on page 165.

Ranking of the Equity Shares

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividend, voting and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 540.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, 2013, dividend distribution policy of our Company, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Description of Equity Shares and Terms of the Articles of Association"* on pages 359 and 540, respectively.

Face Value, Floor Price, Price Band and Offer Price

The face value of each equity share is ₹2. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band and minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs in compliance with the SEBI ICDR Regulations, and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and all editions of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, in compliance with the SEBI ICDR Regulations, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares, unless otherwise permitted by law.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting rights, unless prohibited by law;
- the right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation / splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 540.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares only be applied for in the dematerialised form. In this context, our Company has entered into the following agreements entered into amongst the Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated August 5, 2021, amongst our Company, NSDL and Registrar to the Offer; and

- tripartite agreement dated September 1, 2021, amongst our Company, CDSL and Registrar to the Offer.

Market lot and Trading lot

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares in the Offer. For the method of Basis of Allotment, see "*Offer Procedure*" on page 517.

Joint holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The competent courts/authorities of Bengaluru, Karnataka, India will have sole and exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*– Bid/Offer Programme*" on page 507.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of the Equity Shares in the Offer will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/ Offer Programme

BID/OFFER OPENS ON	[●] (1)
BID/OFFER CLOSES ON	[●] (2)(3)

1. *Our Company may, in consultation with the BRLMs consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
2. *Our Company, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations and UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date.*
3. *UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	On or about [●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *(i) In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism), for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), and the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date till the date of actual unblock by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such an intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable. RIBs for up to ₹0.50 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Mater circular and the SEBI RTA Master Circular.

The above timetable, other than the Bid/Offer Closing Date, is indicative in nature and does not constitute any obligation or liability on our Company, any of the Selling Shareholders or the BRLMs. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid / Offer Closing Date, or such other period as prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission of Bids	**Electronic Applications** i. Online ASBA through 3-in-1 accounts – Only between 10.00 a.m. and 5.00 p.m. IST. Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.5million – Only between 10.00 a.m. and 4.00 p.m. IST. i. Syndicate non-retail, non-individual applications – Only between 10.00 a.m. and 3.00 p.m. IST **Physical Applications** i. Bank ASBA – Only between 10.00 a.m. and 1.00 p.m. IST. Syndicate non-retail, non-individual applications of QIBs and NIIs where Bid Amount is more than ₹0.50 million – Only between 10.00 a.m. and 12.00 p.m. IST and Syndicate members shall transfer such applications to banks before 1 p.m. IST.
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories[##]	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

[#]UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.
[##]QIBs and Non-Institutional Investors can neither revise their Bids downwards nor cancel/withdraw their Bids.

On the Bid/Offer Closing Date, the Bids were required to be uploaded until:

(i) 4:00 p.m. IST for Bids by QIBs and Non-Institutional Investors; and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail and reserved category.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI ICDR Master Circular. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and are advised to submit their Bids no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days, in compliance with the SEBI ICDR Regulations.

Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In the event our Company does not receive a minimum subscription of 90% of the Fresh Issue on Bid / Offer Closing Date, or a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the following order: (i) in the first instance towards subscription for 90% of the Fresh Issue; and (ii) if there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made: (a) first towards Equity Shares offered by the Promoter Selling Shareholder in proportion to the Offered Shares being offered by the Promoter Selling Shareholder; (b) secondly, towards Equity Shares offered by the Investor Selling Shareholders in proportion to the Offered Shares being offered by the Investor Selling

Shareholders; (c) thirdly, towards Equity Shares offered by the Other Selling Shareholders in proportion to the Offered Shares being offered by the Other Selling Shareholders; and (d) only after the sale of all of the Offered Shares, towards the balance Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders, only to the extent of their respective portion of the Offered Shares, shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders and any expenses and interest shall be paid to the extent of their respective portion of the Offered Shares.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 112, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" at page 540.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] equity shares of face value ₹2 each for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] equity shares of face value ₹2 each aggregating up to ₹4,300.00 million by our Company and an Offer of Sale of up to 18,331,386 equity shares of face value ₹2 each aggregating up to ₹[●] million by the Selling Shareholders. For further details, see "*The Offer*" on page 96.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating upto ₹860.00 million, as may be permitted under the applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to Allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus. The Pre-IPO Placement shall be reported to the stock exchange(s), within twenty-four hours of such pre-IPO transactions (in part or in entirety).

The Offer includes a reservation of up to [●] equity shares of face value ₹2 each aggregating to ₹[●] million for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital.

The Offer comprises a Net Offer of up to [●] equity shares of face value ₹2 each.

The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations as our Company does not meet the requirement specified under Regulation 6(1)(a) and Regulation 6(1)(b) of the SEBI ICDR Regulations.

Particulars	**QIBs[(1)]**	**Non-Institutional Investors**	**Retail Individual Investors**	**Eligible Employees[*]**
Number of Equity Shares available for Allotment/allocation[^(2)]	Not less than [●] equity shares of face value ₹2 each	Not more than [●] equity shares of face value ₹2 each available for allocation or Net Offer less allocation to QIBs and Retail Individual Investors	Not more than [●] equity shares of face value ₹2 each available for allocation or Net Offer less allocation to QIBs and Non-Institutional Investors	Up to [●] equity shares of face value ₹2 each
Percentage of Offer Size available for Allotment or allocation	Not less than 75% of the Net Offer shall be available for allocation to QIBs. However up to 5% of Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The	Not more than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Investors will be available for allocation. The allotment to each NII shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion	Not more than 10% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Investors	The Employee Reservation Portion constitutes up to [●]% of the post-Offer paid-up equity share capital of our Company

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors	Eligible Employees*
	unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	and the remaining available Equity Shares if any, shall be available for allocation out of which: (i) One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹0.20 million and up to ₹1.00 million; and (ii) two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million Under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price		
Basis of Allotment if respective category is oversubscribed^	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] equity shares of face value ₹2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] equity shares of face value ₹2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above (c) Up to 60% of the QIB portion (of up to [●]	The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (a) One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹0.20 million and up to ₹1.00 million; and	Allotment to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. See "*Offer Procedure*" on page 517.	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million (net of Employee Discount,

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors	Eligible Employees*
	Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	(b) Two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations		if any) up to ₹0.50 million (net of Employee Discount, if any) each
Mode of Bidding*	Through ASBA (excluding the UPI Mechanism) process only except for Anchor Investors	Through ASBA process only (including the UPI Mechanism for an application size of up to ₹0.50 million)	Through ASBA process only (including the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹0.20 million	[●] equity shares of face value ₹2 each and in multiples of [●] equity shares of face value ₹2 each	[●] equity shares of face value ₹2 each and in multiples of [●] equity shares of face value ₹2 each
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer size (excluding Anchor Investor portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹0.50 million (net of Employee Discount, if any)
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] equity shares of face value ₹2 each and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] equity shares of face value ₹2 each and in	[●] equity shares of face value ₹2 each and	[●] equity shares of face value ₹2 each and	[●] Equity Shares and in multiples of one

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors	Eligible Employees*
	multiples of one Equity Share thereafter	in multiples of one Equity Share thereafter. However, allotment shall not be less than the minimum Non-Institutional application size.	in multiples of one Equity Share thereafter	Equity Share thereafter
Trading Lot	One Equity Share			
Who can Apply(3)	Public financial institutions specified in Section 2(72) of the Companies Act, 2013, FPIs registered with SEBI (other than individuals, corporate bodies and family offices), scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with the SEBI, FVCIs, registered with SEBI, AIFs, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹250.00 million, pension funds with a minimum corpus of ₹250.00 million, the National Investment Fund set up by Government of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, in accordance with applicable laws including FEMA Rules	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs such that the Bid amount does not exceed ₹0.2 million in value	Eligible Employees such that the Bid Amount does not exceed ₹0.50 million (net of Employee Discount, if any)
Terms of Payment	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) ***In case of all other Bidders:*** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders, or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form.			

^Assuming full subscription in the Offer

**SEBI vide its SEBI ICDR Master Circular has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NII* *and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked*

(1) *Our Company may in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company, in consultation with the BRLMs.*

(2) *This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not more than 15% of the Net Offer Offer will be available for allocation to Non-Institutional Investors, of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

[*]Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹0.50 million (net off Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million (net off Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net off Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net off Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹ 0.20 million (net of Employee Discount, if any) in the Employee Reservation Portion. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. For further details, please see "Terms of the Offer" on page 504.

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Sellin Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 504.

Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by Foreign Portfolio Investors*" on page 524 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds;(xi) Designated Date;(xii) interest in case of delay in Allotment or refund; and (xiii) disposal of applications and electronic registration of Bids. Our Company, each of the Selling Shareholders, the BRLMs and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Further, our Company, each of the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and any subsequent circulars or notifications issued by SEBI in this regard has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). The applicability of UPI Phase II was extended from time to time. Thereafter, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) was implemented by SEBI, voluntarily for all public issues opening on or after September 1,2023 and has been made mandatory for all public issues opening on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (“**UPI Streamlining Circular**”) has instituted certain mechanisms towards the streamlining of applications made through the UPI Mechanism as well as redressal of investor grievances. The UPI Streamlining Circular came into force for initial public offers opening on/or after May 1, 2021, and the provisions of the UPI Streamlining Circular are deemed to form part of this Draft Red Herring Prospectus.*

Further, the SEBI ICDR Master Circular consolidated the aforementioned circulars and rescinded these circulars to the extent they relate to the SEBI ICDR Regulations. Furthermore, pursuant to SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application size are up to ₹0.50 million shall use the UPI Mechanism and provide their UPI ID in the Bid-cum-Application Form for bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. In terms of the SEBI ICDR Master Circular, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.
In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, our Company, each of the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Furthermore, up to [●] equity shares of face value ₹2 each, aggregating up to [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, net of Employee Discount.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price.

In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post Offer paid-up Equity Share capital of our Company.

Investors must ensure that their PAN is linked with Aadhar prior to June 30, 2023 and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with read with press release dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

For details of withdrawal of the Offer, see "*Terms of the Offer*" on page 504.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), as applicable, shall be treated as incomplete and will be liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable law.

Phased implementation of Unified Payment Interface Mechanism as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 ("**Previous UPI Circular**"), SEBI ICDR Master Circular and the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars and the Previous UPI Circular have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase was applicable from July 1, 2019 and the continuation of this phase was extended until March 31, 2020 vide SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019. Under this phase, submission of the ASBA Form by UPI Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (rescinded by the SEBI ICDR Master Circular) . In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the SEBI ICDR Master Circular as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis) in accordance with the SEBI ICDR Master Circular. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular. NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹0.20 million to ₹0.50 million for UPI based ASBA in initial public offerings.

For further details, please refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs**.**

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/ unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/ bearing on the Offer bidding process.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. Electronic copy of the Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

The Anchor Investor are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. UPI Bidders shall Bid in the Offer through UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centers only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders using UPI Mechanism, will be required to submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate Member(s), Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-Syndicate Member(s), Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-Syndicate Member(s), Registered Brokers, RTAs or CDPs.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians, including resident QIBs, Non-Institutional Investors, UPI Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(i) Electronic Bid cum Application Forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(ii) The Anchor Investor Application Forms shall be available at the offices of the BRLMs.

(iii) Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of our Company.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Member(s), RTA and Depository Participants shall submit Syndicate ASBA bids above ₹0.50 million and NII & QIB bids above ₹0.20 million through SCSBs only.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI ICDR Master Circular.

Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis through API integration and bring inconsistencies to the notice of the relevant Designated

Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Banks and the issuer banks shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers:

(a) Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by Syndicate Member(s), registrars to the offer and depository participants shall continue till further notice.

(b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

(c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

(d) Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Member(s) and the persons related to the Promoters, Promoter Group, BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member(s) shall not be allowed to purchase/subscribe to the Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member(s) may purchase/subscribe to the Equity Shares in the Offer in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Member(s), shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs, nor; (ii) any person related to the Promoters or Promoter Group can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to a Promoters or member of the Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme concerned for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights**.**

Bids by Eligible Non-Resident Indians

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their respective SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident External Accounts ("**NRE Account**") (including UPI ID, if activated), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by a NRI or an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules.

(a) In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 538.

Bids by Hindu Undivided Families

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/applications by HUFs will be considered at par with Bids/applications from individuals**.**

Bids by Foreign Portfolio Investors

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the applicable FEMA Rules the total holding by each FPI or an investor group cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, as applicable and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24% of the total paid-up Equity Share capital on a fully diluted basis, as applicable.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions specified under the FEMA Rules and as specified by the GoI from time to time.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the total paid-up share capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Our Company has increased the aggregate limit of investment by non-resident Indians in the Company from 10% to 24% of the paid-up equity share capital by a resolution of our Board dated May 23, 2025 and a resolution by our Shareholders dated May 29, 2025. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to SEBI ICDR Master Circular and RTA Master Circular, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(A) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

(B) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

(C) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(D) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); including the conditions to deal in overseas direct instruments and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by Securities and Exchange Board of India registered Alternative Investment Funds and Venture Capital Funds

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. Category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. A VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

In terms of Regulation 20(20) of SEBI AIF Regulations, every AIF, manager of the AIF and key management personnel of the manager and the AIF shall exercise specific due diligence, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of such laws, as may be specified by SEBI from time to time. In this regard, SEBI through its circular dated October 8, 2024 mandates that for every scheme of AIFs having an investor, or investors belonging to the same group, who contribute(s) 50% or more to the corpus of the scheme, necessary due diligence as per the implementation standards formulated by Standard Setting Forum for AIFs ("**SFA**"), shall be carried out prior to availing benefits available to QIBs under SEBI ICDR Regulations and other SEBI regulations.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All NRIs should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, each of the Selling Shareholders and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs and VCFs shall be subject to the FEMA Rules. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 538.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, each of the Selling Shareholders or the BRLMs shall not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by Self Certified Syndicate Banks

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company, in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024 ("**IRDA AFIFI Regulations**") based on the investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies are entitled to invest only in other listed insurance companies and Bidders are advised to refer to the IRDA AFIFI Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approvals as may be required by the NBFC – SI, must be attached to the Bid-cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC – SI shall be prescribed by RBI from time to time.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250.00 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, with minimum corpus of ₹250.00 million, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100.00 million.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and will be completed on the same day.

5. Our Company in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million, subject to minimum allotment of ₹50.00 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price and the difference amount shall not be refunded to the Anchor Investors.

9. Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: there shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment.

10. Neither (a) the Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* [•] colour form).

(b) The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹ 0.20 million (which will be less Employee Discount). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹ 0.20 million, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹ 0.50 million (which will be less Employee Discount).

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) Only Eligible Employees (as defined in this Draft Red Herring Prospectus) would be eligible to apply in this Offer under the Employee Reservation Portion.

(e) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹ 0.20 million (net of Employee Discount) in the Employee Reservation Portion. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(f) Only those Bids, which are received at or above the Offer Price net of Employee Discount, if any, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price.

(h) In case of joint bids, the First Bidder shall be an Eligible Employee.

(i) If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Eligible Employees Eligible Employees bidding in the Employee Reservation Portion may Bid either through the UPI mechanism or ASBA (including syndicate ASBA) as per the SEBI ICDR Master Circular.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [•]% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than [•] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this

Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after filing the Red Herring Prospectus with the RoC and at least two Working Days prior to the Bid/Offer Opening Date, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date, Floor Price, Price Band and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters, prior to the filing of the Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer.

(b) The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

(A) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

(B) Ensure that you have Bid within the Price Band;

(C) Ensure that the PAN is linked with Aadhar in compliance with the circular no. 7 of 2022 dated March 30, 2022 issued by the Central Bureau of Direct Taxes;

(D) Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders) in the Bid cum Application Form (with maximum length of 45 characters. Further, UPI Bidders must mention their UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

(E) UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

(F) UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

(G) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

(H) Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

(I) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

(J) In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

(K) If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);

(L) All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

(M) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

(N) Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

(O) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

(P) Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

(Q) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

(R) Ensure that the Demographic Details are updated, true and correct in all respects;

(S) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

(T) Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding System of the Stock Exchanges;

(U) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

(V) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

(W) Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. UPI Bidders, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) prior to 5:00 pm of the Bid / Offer Closing Date;

(X) Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

(Y) Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

(Z) UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidders in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

(AA) FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

(BB) UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

(CC) UPI Bidders, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner.

(DD) The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;

Bids by Eligible NRIs, HUFs and FPIs other than individuals, corporate bodies and family offices, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Offer;

(EE) Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs; and

(FF) Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of the SEBI, is liable to be rejected. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

(A) Do not Bid for lower than the minimum Bid size;

(B) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(C) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

(D) Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

(E) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

(F) Anchor Investors should not Bid through the ASBA process;

(G) Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

(H) Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

(I) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

(J) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

(K) Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

(L) If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

(M) Do not Bid for a Bid Amount exceeding ₹0.50 million (for Bids by UPI Bidders);

(N) Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Investors) and ₹0.50 million (net of Employee Discount) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

(O) Do not submit the General Index Register (GIR) number instead of the PAN;

(P) Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centers. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

(Q) Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

(R) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

(S) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders, in the UPI-linked bank account where funds for making the Bid are available;

(T) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

(U) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

(V) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders;

(W) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

(X) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

(Y) Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

(Z) Do not submit more than one Bid cum Application Form per ASBA Account;

(AA) Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

(BB) Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders);

(CC) Do not Bid if you are an OCB;

(DD) Do not Bid for Equity Shares in excess of what is specified for each category; and

(EE) In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see "*General Information*" on page 103.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" on page 103.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by Securities and Exchange Board of India from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis, which shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non- Institutional Investors shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collection of Bid Amounts from Anchor Investors.

Undertakings by our Company

Our Company undertakes the following:

(A) if Allotment is not made, refunds are not made to the Bidders or listing and trading approvals are not obtained within the prescribed time period under applicable law, money raised in the Offer will be refunded within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Applicable Law for the delayed period;

(B) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading on each of the Stock Exchanges within time prescribed under Applicable Law;

(C) that funds, information and documents required for refunds or unblocking of application monies, as applicable and dispatch of Allotment Advice and CAN as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;

(D) the decisions with respect to all terms of the Offer, including the Price Band, the Anchor Investor Allocation Price, the Offer Price, Bid/Offer Opening Date and Bid/Offer Closing Date, including any revisions thereof, will be taken by our Company, in consultation with the BRLMs; and

(E) Except for the Fresh Issue, allotment of shared pursuant to ESOP 2021, or Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, specifically undertakes and/or confirms in respect of themselves as a Selling Shareholder and their respective portion of Offered Shares, that:

(A) Its respective portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 and 8A of the SEBI ICDR Regulations;

(B) It is the legal and beneficial owners of its respective portion of the Offered Shares;

(C) It is not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities, under any order or direction passed by the SEBI or any securities market regulator;

(D) It shall transfer its respective portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement;

(E) It shall not have recourse to the proceeds of the Offer for Sale until final approvals for listing and trading of the Equity Shares from the Stock Exchanges have been received.

Only the statements and undertakings in relation to each of the Selling Shareholders and their respective portion of the Offered Shares which are confirmed or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings made or confirmed" by such Selling Shareholders. No other statement in this Draft Red Herring Prospectus will be deemed to be "made or confirmed" by a Selling Shareholder, even if such statement relates to such Selling Shareholder.

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and their respective portion of the Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

Utilisation of Offer Proceeds

Each of the Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Our Board certifies that:

(a) details of all monies utilised out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(b) details of all unutilised monies out of the Fresh Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses the relevant taxes thereon. For details of Offered Shares by each Selling Shareholder, see "*Other Regulatory and Statutory Disclosures*" beginning on page 487.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*.

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy,1991 unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**"), issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. In the event such prior approval of the GoI is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FDI Policy and the FEMA Rules, the sectoral cap for foreign investment in companies engaged in the sector that we operate in is up to 100% of the paid-up share capital of such company under the automatic route. For further details, see "*Key Regulations and Policies*" on page 294.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 517.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, please see sections titled "*Offer Procedure –Bids by Eligible Non-resident Indians*" and "*Offer Procedure –Bids by Foreign Portfolio Investors*" on pages 523 and 524 respectively.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act. The above information is given for the benefit of the Bidders.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

[*1]THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

[*2-3-4-5-6]CAPILLARY TECHNOLOGIES INDIA LIMITED

(Formerly known as Capillary Technologies India Private Limited)

I. APPLICABILITY OF TABLE F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof or are not expressly or by implication excluded from these Articles.

The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013, as amended, be such as are contained in these Articles.

II. INTERPRETATION

I. In these Articles:

(i) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which the Articles become binding on the Company. In these Articles:

"Act" means Companies Act, 2013 and any amendments, re-enactments or other statutory modifications thereof for the time being in force and rules made thereunder, as amended.

"Alternate Director" shall have the meaning assigned to it in Article 151 of these Articles.

"**Annual General Meeting**" means the Annual General Meeting held in accordance with Section 96 of the Act.

"**Articles**" means the articles of association of the Company as amended from time to time in accordance with the Act.

"**Auditors**" shall mean and include those persons appointed as such for the time being by the Company.

"Beneficial Owner" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2

[1] The shareholders of the Company at the Annual general meeting held on 30th September, 2016 approved the changes to the Articles of Association to align it with the provisions of the Companies Act, 2013.
[2] The shareholders of the Company at the extra-ordinary general meeting held on 15th June, 2012 approved the change in name of the Company from "Kharagpur Technologies Private Limited" to "Capillary Technologies India Private Limited".
[3] The shareholders of the Company at the extra-ordinary general meeting held on 14th October, 2021 approved the change in name of the Company from "Capillary Technologies India Private Limited" to "Capillary Technologies India Limited".
[4] The shareholders of the Company at the extra-ordinary general meeting held on 9th November, 2021 approved the change in name and conversion of the Company from "Capillary Technologies India Private Limited" to "Capillary Technologies India Limited".
[5] The shareholders of the Company at the extra-ordinary general meeting held on 17th December, 2021 approved the alteration to sub-clause no 145 in XX of Board of Directors of Articles of Association of the Company.
[6] The shareholders of the Company at the Annual general meeting held on 30th May, 2025 approved the alteration to sub-clause no 145 in XX of Board of Directors of Articles of Association of the Company.

of the Depositories Act, 1996, as amended.

"Board" or **"Board of Directors"** means the Board of Directors of the Company as constituted from time to time in accordance with the terms of these Articles.

"Board Meeting" means a meeting of the Directors duly called, constituted and held or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles and the Act.

"**Company**" means CAPILLARY TECHNOLOGIES INDIA LIMITED, a Company incorporated under the Companies Act, 1956.

"Chairman" or **"Chairperson"** means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board and/ or General Meetings of the Company.

"**Debenture**" includes debenture stock, bonds or any other instrument evidencing a debt, whether constituting a charge on the assets of the Company, or not.

"**Depositories Act**" means the Depositories Act, 1996, as amended or any statutory modification or re-enactment thereof for the time being in force.

"**Depository**" means a Depository as defined under clause (e) of sub- Section (1) of Section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992, as amended.

"**Director**" means a director of the Board appointed from time to time in accordance with the terms of these Articles and the provisions of the Act.

"Dividend" means the dividend including the interim dividend, as defined under the Act.

"**Equity Share Capital**" means in relation to the Company, its equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

"**Encumbrance**" means any encumbrance, including, without limitation, charge, claim, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), option, security interest, mortgage, easement, encroachment, public/ common right, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, any provisional, conditional or executional attachment and any other interest held by a third party.

"**Fully Diluted Basis**" means the total classes of Shares outstanding on a particular date, combined with all outstanding options, warrants, convertible securities of all kinds, any other arrangements relating to the Company's equity or any other instrument, all on an "**as if converted**" basis. For the purposes of this definition, "**as if converted**" basis shall mean as if such instrument, option or security had been converted into equity Shares of the Company in accordance with the terms of its issuance.

"**General Meeting**" means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary General Meeting.

"**Independent Director**" shall have the meaning assigned to the said term under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

"**INR**" or "**Rs.**" means the Indian Rupee, the currency and legal tender of the Republic of India.

"**Law**" includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority (including but not limited to the Reserve Bank of India Act, 1934, as amended and any applicable rules, regulations and directives of the Reserve Bank of India), statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

"Managing Director" means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

"**Member**" means a member of the Company within the meaning of sub- Section 55 of Section 2 of the Act, as amended from time to time.

"Memorandum" means the memorandum of association of the Company.

"**Ordinary Resolution**" shall have the meaning assigned to it in Section 114 of the Act.

"**Original Director**" shall have the meaning assigned to it in Article 151 of these Articles.

"Paid up Capital" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of Shares issued by the Company and also includes any amount credited as paid-up in respect of Shares of the Company, but does not include any other amount received in respect of such Shares, by whatever name called.

"**Person**" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law.

"**Preference Share Capital**" means in relation to the Company, its preference Share capital within the meaning of Section 43 of the Act, as amended from time to time.

"**Proxy**" means an instrument whereby any person is authorized to vote for a member at a General Meeting on a poll and shall include an attorney duly constituted under a power-of-attorney.

"**Registrar**" or "**RoC**" or "**Registrar of Companies**" means the Registrar of Companies, Karnataka at Bangalore.

"**RBI**" means the Reserve Bank of India.

"**Seal**" means the common seal of the Company.

"**SEBI**" means the Securities and Exchange Board of India.

"**Secretary**" or "**Company Secretary**" means company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, as amended, who is appointed by the Company to perform the functions of a company secretary under the Act.

"**Securities**" means and includes equity Shares, scrips, stocks, bonds, Debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for equity Shares, and any other marketable securities as may be defined and specified under Securities Contract Regulation Act, 1956, as amended.

"**Shares**" means a share in the Share Capital of the Company and includes stock.

"**Share Capital**" means the Equity Share Capital and Preference Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

"**Shareholder**" shall mean a Member of the Company.

"**Special Resolution**" shall have the meaning assigned to it in Section 114 of the Act.

(ii) The terms "*writing*" or "*written*" include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.

(iii) Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

(iv) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

(v) Words importing the masculine gender shall include the feminine gender and vice versa.

(vi) Words importing the singular shall include the plural, and vice versa.

(vii) The headings and titles herein are used for convenience of reference only and shall not affect the construction of these Articles.

(viii) Reference to days, months and years are to Gregorian days, months and calendar years respectively.

(ix) Notwithstanding anything contained in these Articles, any reference to a "person" in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).

(x) The words "include" and "including" are to be construed without limitation.

(xi) Unless the context thereof otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force.

III. PUBLIC COMPANY

2. The Company is a public company within the meaning of the Act.

IV. SHARE CAPITAL AND VARIATION OF RIGHTS

3. The authorized Share Capital of the Company shall be as set out in Clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

4. Subject to the provisions of the Act and these Articles, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Section 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. *Provided that*, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

5. Subject to these Articles and the provisions of the Act, the Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

6. Subject to the provisions of Section 61 of the Act, the Company may from time to time by Ordinary

Resolution, undertake any of the following:

(i) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

(ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

(iii) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or

(iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.

7. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/ or listing requirements and that the provisions of these Articles.

8. Subject to the provisions of Section 55 of the Act, any preference Shares may, with the sanction of an Special Resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.

9. The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.

10. Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/ allotment of further Shares either out of the unissued Share Capital or increased Share Capital then, such further Shares may be offered to:

(i) Persons who, at the date of offer, are holders of equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days, or such lesser number of days as may be prescribed under the Act, and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (a) shall contain a statement of this right, *provided that* the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

Nothing in sub-Article (i) (b) above shall be deemed to extend the time within which the offer should be accepted; or to authorize any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. The notice referred to in sub-Article (i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least 3 (three) days before the opening of the offer.

(ii) employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(iii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.

11. Nothing in Article 10 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.

12. Notwithstanding anything contained in Article 11 above, where any debentures have been issued, or loan has been obtained from any Government by our Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion; p*rovided that* where the terms and conditions of such conversion are not acceptable to the Company, it may, within 60 (sixty) days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

13. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable, contingent, future or other claim to or any interest in any fractional part of such Shares or any other right in respect of such Shares on the part of any other Person.

14. Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

15. The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depository Receipts or Global Depository Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depository Receipts or Global Depository Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.

16. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class accordingly. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

17. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

18. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any

manner as the Board may deem fit.

19. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

20. Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(i) the Share Capital;

(ii) any capital redemption reserve account; or

(iii) any securities premium account.

V. CAPITALISATION OF PROFITS

21. The Company in General Meeting may, upon the recommendation of the Board, resolve –

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Article 22 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

22. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 24 below, either in or towards:

(i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or

(ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in Article 22(i) and partly in that specified in Article 22(ii) above.

(iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.

(v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

23. Whenever such a resolution as specified in Article 22 above is passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

(ii) generally, do all acts and things required to give effect thereto.

24. The Board shall have power to:

(i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and

(ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

25. Any agreement made under such authority shall be effective and binding on such Members.

VI. COMMISSION AND BROKERAGE

26. The Company may exercise the powers of paying commissions conferred by Section 40(6) of the Act (as amended from time to time), *provided that* the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

27. The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules made under Section 40(6) of the Act.

28. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

29. The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

VII. SHARES AND SHARE CERTIFICATES

30. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or Debenture holders resident in that country.

31. A Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where the Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares.

32. Unless the Shares have been issued in dematerialized form, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –

    (i) one certificate for all his Shares without payment of any charges; or

    (ii) several certificates, each for one or more of his Shares, upon payment of 20 (twenty) rupees for each certificate after the first.

33. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within three (3) months from the date of allotment, or within two (2) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case may be. Every certificate of Shares shall be under the seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. Further, out of the two Directors there shall be at least one director other than managing or whole- time director, where the composition of the Board so permits. *Provided that* in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint-holders shall be sufficient delivery to all such holders.

34. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.

35. The Board may subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.

36. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of Rs. 20 for each certificate. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. *Provided that* notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

37. The Board may, in its discretion, allow for sub-division or consolidation of Share certificates.

38. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed thereunder.

39. Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed under the Act.

VIII. LIEN

40. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares. *Provided that* the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article. *Provided further that* the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

41. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien. *Provided that* no sale shall be made -

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

42. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.

43. To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.

(i) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

44. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

IX. CALLS ON SHARES

45. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

46. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

47. A call may be revoked or postponed at the discretion of the Board.

48. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

49. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

50. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.

51. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

52. The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls shall not confer a right to dividend or to participate in profits. The Board may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

53. The option or right to make calls on shares shall not be given to any person, except with the approval of the Company in the General Meeting.

X. DEMATERIALIZATION OF SHARES

54. The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

55. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both, in material and dematerialized form, in any medium as permitted by Law including any form of electronic medium.

56. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.

57. If a Person opts to hold his Shares with a depository, the Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.

58. All Shares held by a Depository shall be dematerialized and shall be in a fungible form.

(i) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

59. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.

60. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.

61. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

XI. TRANSFER OF SHARES

62. The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until

the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

63. Where Shares are converted into stock:

(i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; *Provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

(iii) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in these Articles shall include “stock” and “stock-holder” respectively.

64. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, *provided that* such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

65. Subject to the provisions of the Act, these Articles, the Securities (Contracts) Regulation Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within 1 (one) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.

66. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.

67. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be

returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

68. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

(i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or

(ii) any transfer of Shares on which the company has a lien.

69. The Board may decline to recognize any instrument of transfer unless—

(i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;

(ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of Shares

70. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

71. The Company may close the register of Members or the register of debenture- holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven) days or such lesser period as may be specified by SEBI.

XII. TRANSMISSION OF SHARES

72. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

73. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(i) to be registered as holder of the Share; or

(ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

74. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

75. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

76. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.

77. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

78. A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, *provided that* the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

XIII. FORFEITURE OF SHARES

79. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

80. The notice issued under Article 70 shall:

(i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

81. If the requirements of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

82. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

83. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

84. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.

85. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

86. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Person claiming to be entitled to the Share.

87. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of.

88. The transferee shall thereupon be registered as the holder of the Share.

89. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

90. The provision of these Articles as to forfeiture shall apply in the case of non- payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

XIV. BUY-BACK OF SHARES

91. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.

XV. GENERAL MEETINGS

92. An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government), and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.

93. All notices of, and other communications relating to, any General Meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.

94. All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.

95. The business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the auditors; in the case of any other meeting, all business shall be deemed to be special.

96. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.

97. (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

(iii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

(iv) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of members entitled to vote and who represent not less than 95% (ninety- five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.

(v) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

(vi) A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance to the provisions of Section 101 of the Act. *Provided that* where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.

(vii) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

(viii) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

XVI. PROCEEDINGS AT GENERAL MEETINGS

98. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.

99. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

100. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.

101. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

102. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

103. If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

104. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/ her own motion and shall be ordered to be taken by him/ her on a demand made in accordance with Section 109 of the Act.

105. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

106. Notwithstanding anything contained elsewhere in these Articles, the Company:

(i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

107. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

108. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

109. The Chairperson of the Board of Directors or in his absence the vice- Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.

110. If there is no such Chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.

111. If at any General Meeting no Director is willing to act as the Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairperson of the General Meeting. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands, shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

XVII. ADJOURNMENT OF MEETINGS

112. The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.

113. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.

114. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

115. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

XVIII. VOTING RIGHTS

116. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(i) on a show of hands, every Member present in Person shall have 1 (one) vote; and

(ii) on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.

117. The Chairperson shall have a second or casting vote in the event of an equality of votes at General Meetings of the Company.

118. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than Rs. 5,00,000 (Rupees five lakh) or such higher amount as may be prescribed has been paid up.

119. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

120. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

121. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

122. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

123. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of

any Shares registered in his/ her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

124. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.

125. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

126. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 (forty-eight) hours from the time when the demand was made, as the Chairperson may direct.

127. The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

128. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.

129. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/ her in accordance with Section 109 of the Act.

130. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.

131. Of the two scrutinisers, one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed.

132. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.

133. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

134. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.

135. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

136. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

137. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the proxy register with proxies and the register of Directors' holdings.

XIX. PROXY

138. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.

139. The proxy shall not be entitled to vote except on a poll.

140. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty- eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty-four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

141. An instrument appointing a proxy shall be in the form as prescribed under Section 105 of the Act and the rules framed thereunder.

142. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; *provided that* no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

XX. BOARD OF DIRECTORS

143. The business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or by these Articles. The Board may pay all expenses incurred in getting up and registering the Company.

144. The number of the Directors and the names of the first Directors shall be determined in writing by the subscribers of the Memorandum of Association or a majority of them.

145. *5-6 Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), Provided further that the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

5. The shareholders of the Company at the extra-ordinary general meeting held on 17th December, 2021 approved the alteration to sub-clause no 145 in XX of Board of Directors of Articles of Association of the Company.

6. The shareholders of the Company at the Annual general meeting held on 30th May, 2025 approved the alteration to sub-clause no 145 in XX of Board of Directors of Articles of Association of the Company.

146. The Directors need not hold any qualification Shares in the Company.

147. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act.

148. The remuneration of the Directors shall, insofar as it consists of a monthly payment, be deemed to accrue from day-to-day. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors or any committee thereof or General Meetings of the Company (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 197 of the Act.

149. Subject to the applicable provisions of the Act, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.

150. Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.

151. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India

(an “**Original Director**”), subject to these Articles, the Board may appoint another Director (an “**Alternate Director**”), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India. No Person shall be appointed or continue as an Alternate Director to an Independent Director.

152. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

153. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re- election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

154. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.

155. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

156. Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.

157. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.

158. If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.

159. If at any meeting at which an election of Directors ought to take place, the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in next week at the same time and place, and if at the adjourned meeting the place of the vacating Directors is not filled up the vacating directors or such of them as have not had their places filled, shall be deemed to have been re-elected at the adjourned meeting.

160. The Company may from time to time in General Meeting increase or reduce the number of Directors and may make any appointments necessary for affecting such increase.

161. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise

the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.

162. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/ or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

163. The Company may exercise the powers as prescribed under Section 88 of the Act, with regards to the keeping of a foreign register; and the Board may (subject to the provisions of the section) make and vary such Articles as it may think fit respecting the keeping of any such register.

164. Subject to the provisions of the Act, so long as any moneys remain owing by the Company to financial institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any non-banking financial company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (the "**Corporation**") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors, whether whole-time or otherwise ("**Nominee Director**") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his place. The Nominee Director appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company may pay the Nominee Director (or the nominee appointer) sitting fees and expenses to which the other Directors of the Company are entitled.

XXI. PROCEEDINGS OF THE BOARD

165. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

166. A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board.

167. Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.

168. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

169. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

170. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

171. Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

172. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

173. In case of equality of votes, the Chairperson and the vice-Chairperson of the Board shall decide unanimously at Board meetings of the Company.

174. The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their Member to be Chairperson of the meeting.

175. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.

176. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

177. A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

178. A committee may meet and adjourn as it thinks fit.

179. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present and in case of equality of votes the Chairman of the meeting shall have a second or casting vote.

180. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

181. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

182. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every

Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

XXII. POWERS OF THE DIRECTORS

183. The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these Articles are expressly directed to be exercised by the Members in the General Meeting.

184. Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers covered under Section 179(3)(d) to Section 179(3)(f) to any committee of the Board, managers, or any other principal officer of the Company as they may deem fit and may at their own discretion revoke such powers.

185. The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.

186. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; *provided that* the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

187. Subject to the provisions of the Act and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of Debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available.

188. The Directors shall have the power to open bank accounts, to sign cheques, promissory notes on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies* and bills or may authorise any other Person or Persons to exercise such powers.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

189. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

190. Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.

191. Subject to the provisions of the Act, a managing director or whole time director may be paid such

remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board may determine.

192. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a managing director or whole time director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

193. Subject to the provisions of the Act —

(a) A chief executive officer, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

(b) A director may be appointed as chief executive officer, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

(c) A provision of the Act or the Articles requiring or authorizing a thing to be done by or to a Director and chief executive officer, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, company secretary or chief financial officer.

XXIII. THE SEAL

194. (i) The Board shall provide for the safe custody of the seal of the Company.

(ii) The seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 (two) Directors and the Company Secretary or any other official of the Company as the Board may decide and that 2 (two) Directors and the Company Secretary or such official shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014, as amended.

XXIV. DIVIDENDS AND RESERVE

195. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

196. Subject to the provisions of Section 123 of the Act, the Board may, from time to time, pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

197. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at a like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

198. Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

199. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.

200. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

201. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.

202. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.

203. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

204. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

205. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.

206. No dividend shall bear interest against the Company.

207. A Shareholder can waive/ forgo the right to receive the dividend (either final and/ or interim) to which he is entitled, on some or all the equity Shares held by him in the Company. However, the Shareholder cannot waive/ forgo the right to receive the dividend (either final and/ or interim) for a part of percentage of dividend on Share(s).

208. Where a dividend has been declared by the Company but has not been paid or claimed within 30 (thirty) days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.

209. Any money transferred to the 'Unpaid Dividend Account' of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued, if any, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

210. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. *Provided that*, any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

211. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.

XXV. ACCOUNTS

212. (i) The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.

(ii) The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.

(iii) No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.

(iv) Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.

XXVI. WINDING UP

213. Subject to the provisions of Chapter XX of the Act and rules made thereunder:

(i) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or in kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(iii) The liquidator may, with a like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

214. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended.

XXVII. INDEMNITY

Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the National Company Law Tribunal.

XXVIII. OTHERS

XXIX. BORROWING POWERS

215. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.

216. The Board of Directors shall not, except with the consent of the Company by way of a Special Resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceeds the aggregate of paid-up Share Capital, free reserves and securities premium of the Company.

XXX. SECRECY

217. Every manager, auditor, trustee, member of a Committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all *bona fide* transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or

by any General Meeting or by the Law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

XXXI. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS

218. Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

XXXII. APPLICATION OF ASSETS

219. Subject to the provisions of the Act as to preferential payment, the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

XXXIII. AUDIT

220. Subject to the provisions of the Act, the Company shall appoint an auditor at an Annual General Meeting to hold office from the conclusion of that Annual General Meeting until the conclusion of the sixth Annual General Meeting from such Annual General Meeting, and every auditor so appointed shall be informed of his appointment within 15 days.

221. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Section 139 and 140 of the Act and the rules framed thereunder.

222. The remuneration of the auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company may in the General Meeting determine.

XXXIV. GENERAL AUTHORITY

223. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been executed, entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, will be attached to the copy of the Red Herring Prospectus to be filed with the Registrar of Companies. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office, between 10.00 am and 5.00 pm on all Working Days and will also be available at the website of our Company at https://www.capillarytech.com/investors/ from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act, 2013 and other applicable law.

Material contracts in relation to the Offer

1. Offer Agreement dated June 18, 2025 entered into among our Company, the Selling Shareholders and the Book Running Lead Managers.

2. Registrar Agreement dated June 18, 2025 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Banker(s) to the Offer.

4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.

6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

7. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

Material documents in relation to the Offer

(1) Certified copies of updated Memorandum of Association and Articles of Association of our Company as amended until date.

(2) Certificate of incorporation dated March 15, 2012, certificate of incorporation dated July 26, 2012 pursuant to change in name of our Company from "Kharagpur Technologies Private Limited" to "Capillary Technologies India Private Limited" and fresh certificate of incorporation dated November 23, 2021 issued consequent upon conversion into a public company.

(3) Fresh certificate of incorporation dated November 23, 2021 consequent upon change of name of our Company pursuant to its conversion to a public company.

(4) Resolution passed by the Board of Directors dated May 23, 2025 authorising the Offer.

(5) Resolution passed by the Board of Directors dated June 18, 2025 taking on record the consent and authorisation of the Selling Shareholders to participate in the Offer for Sale

(6) Resolution of the Board of Directors dated June 18, 2025 approving this Draft Red Herring Prospectus for

filing with the SEBI and the Stock Exchanges.

(7) Consent letters and authorisations from the Selling Shareholders in relation to the Offer for Sale of its Offered Shares authorising the Offer for Sale.

(8) Resolution of the Audit Committee dated June 18, 2025, approving the KPIs.

(9) Copies of annual reports of our Company for the last three Fiscals, i.e., Fiscals 2025, 2024 and 2023.

(10) Consent letter dated June 18, 2025 from Walker Chandiok & Co LLP, the Statutory Auditor, holding a valid peer review certificate from the ICAI to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated June 18, 2025 on our Restated Consolidated Financial Information; and (ii) their report dated June 18, 2025 on the statement of possible special tax benefits available to the Company and its shareholders in this Draft Red Herring Prospectus.

(11) Consent letter dated June 18, 2025 from Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

(12) Consent letter dated June 14, 2025 from Ecra Pte. Ltd., Tax Agents, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter June 14, 2025 dated on the statement of special tax benefits available to CPL, being a Material Subsidiary of the Company.

(13) Consent letter dated June 13, 2025 from PBG Associates Ltd., Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter June 13, 2025 dated on the statement of special tax benefits available to Capillary Europe, being a Material Subsidiary of the Company.

(14) Consent letter dated June 14, 2025 from TruAnalyst Solutions LLP, Certified Public Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act 2013 in respect of its letter June 14, 2025 dated on the statement of special tax benefits available to CTL and Capillary Brierley, being Material Subsidiaries of the Company.

(15) Industry research report titled "Customer Loyalty and Engagement Software Market Overview" dated June 2025 prepared by Zinnov Management Consulting Private Limited.

(16) Consent letter dated June 17, 2025 from Zinnov Management Consulting Private Limited with respect to the Zinnov Report.

(17) Consent letter June 12, 2025 from Resurgent India Limited as valuer for preparation of the valuation report dated April 25, 2021.

(18) Engagement letter dated February 19, 2025 entered into with Zinnov Management Consulting Private Limited in respect of the Industry research report titled "Customer Loyalty and Engagement Software Market Overview".

(19) Statement of Possible Special Tax Benefits of the Company dated June 18, 2025 from the Statutory Auditors.

(20) Letter dated June 14, 2025 from Ecra Pte. Ltd., Tax Agents, as independent chartered accountants on the statement of special tax benefits available to CPL, being a Material Subsidiary of the Company.

(21) Letter dated June 13, 2025 from PBG Associates Ltd., Chartered Accountants, as independent chartered accountants on the statement of special tax benefits available to Capillary Europe, being a Material Subsidiary of the Company.

(22) Letter dated June 14, 2025 from TruAnalyst Solutions LLP, Certified Public Accountants, as independent chartered accountants on the statement of special tax benefits available to CTL and Capillary Brierley, being Material Subsidiaries of the Company.

(23) Examination Report dated June 18, 2025 on our Restated Consolidated Financial Information issued by the Statutory Auditors.

(24) Consents of the BRLMs, the Syndicate Members, Registrar to the Offer, Bankers to the Offer, bankers to our Company, legal advisors to our Company as to Indian Law, our Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to act, in their respective capacities.

(25) Certificate dated June 18, 2025 issued by, Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, certifying the KPIs of our Company.

(26) Certificate dated June 18, 2025 issued by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, certifying the weighted average cost of acquisition of equity shares of our Company.

(27) Certificate dated June 18, 2025 issued by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, certifying tax litigation involving our Company, Subsidiaries, Directors and Promoters.

(28) Certificate dated June 18, 2025 issued by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, certifying the outstanding dues to creditors.

(29) Certificate dated June 18, 2025 issued by Saini Pati Shah & Co LLP, Chartered Accountants, with FRN 137904W/W100622, certifying the Company's eligibility for the Offer.

(30) Tripartite agreement dated August 5, 2021, among our Company, NSDL and the Registrar to the Offer.

(31) Tripartite agreement dated September 1, 2021, among our Company, CDSL and the Registrar to the Offer.

(32) Subscription agreement dated August 30, 2021, between our Company and CPL.

(33) Business and loan transfer agreement dated November 1, 2021, along with the deed of amendment dated December 21, 2021, entered into between CTIPL and CPL

(34) Share purchase agreement dated March 31, 2023, entered into between CPL and Brierley & Partners, Inc.

(35) Stock purchase agreement dated March 30, 2023, entered into between Nomura Research Institute Holdings America, Inc., Brierley & Partners, Inc. and CTL.

(36) Secondary stock purchase agreement dated June 22, 2023 entered into between CTIPL and CTL.

(37) Deed of gift dated November 22, 2021 entered into by CTIPL in favour of CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary Malasia.

(38) Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary China.

(39) Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary Dubai.

(40) Deed of gift dated November 30, 2021 entered into by CTIPL in favour of CPL pursuant to which, CTIPL has agreed to transfer to CPL, as a gift, the entire share capital of its subsidiary Capillary Indonesia.

(41) Acquisition agreement dated September 1, 2021, entered into between Persuade Loyalty, LLC., Persuade

Holdings, Inc., CPL, CTIPL & Others.

(42) Asset Purchase Agreement 1 dated March 31, 2025, between CTL and Kognitiv US LLC.

(43) Asset Purchase Agreement 2 dated May 4, 2023, between Tenerity and CPL.

(44) Purchase and Sale Agreement dated March 31, 2025 entered into between Loyalty Solutions Holdings US Inc. and CTL.

(45) Deed of assignment dated November 20, 2021 entered into between CTIPL and CPL.

(46) Deed of assignment dated February 26, 2023 entered into between our Company and CPL.

(47) Deed of Assignment dated February 28, 2023 entered into between our Company and CPL.

(48) Consent letter dated April 1, 2024 provided by Capillary Brierley to use any of its intellectual property rights.

(49) Consent letter dated April 1, 2024 provided by Capillary Technologies Inc. to use any of its intellectual property rights.

(50) Consent letter dated April 1, 2024 provided by CTIPL and CPL to use two patents, one registered in the United States and one registered in Singapore.

(51) Indemnity and exit agreement dated June 17, 2025 entered into between CTIPL and its shareholders.

(52) Employment agreement dated November 24, 2024 issued by the Company to Aneesh Reddy Boddu in relation to the terms of appointment and remuneration.

(53) Employment agreement dated November 24, 2024 issued by the Company to Anant Choubey in relation to the terms of appointment and remuneration.

(54) Due diligence certificate dated June 18, 2025 to SEBI from the BRLMs.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Neelam Dhawan
(*Chairperson and Independent Director*)

Date: June 18, 2025

Place: Gurgaon, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Aneesh Reddy Boddu
(Managing Director and Chief Executive Officer)

Date: June 18, 2025

Place: Abu Dhabi, UAE

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Anant Choubey
(Whole-time Director, Chief Financial Officer and Chief Operating Officer)

Date: June 18, 2025

Place: Bengaluru, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Farid Lalji Kazani
(Independent Director)

Date: June 18, 2025

Place: Mumbai, India

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Venkat Ramana Tadanki
(Independent Director)

Date: June 18, 2025

Place: Irvine, USA

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, the SCRA, the SCRR, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Peeyush Ranjan
(Independent Director)

Date: June 18, 2025

Place: Palo Alto, USA

DECLARATION

The undersigned Selling Shareholder, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being offered by it pursuant to the Offer for Sale, are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures or undertakings, including statements, disclosures or undertakings, made or confirmed by or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Trudy Holdings

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Authorised Signatory
Name: Zahiira Elaheebocus-Chady
Designation: Director

Date: June 18, 2025

Place: Mauritius

DECLARATION

The undersigned Selling Shareholder, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being offered by it pursuant to the Offer for Sale, are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures or undertakings, including statements, disclosures or undertakings, made or confirmed by or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Ronal Holdings LLC

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Authorised Signatory
Name: Shaleenee Chengan
Designation: Director

Date: June 18, 2025

Place: Mauritius

DECLARATION

The undersigned Selling Shareholder, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being offered by it pursuant to the Offer for Sale, are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures or undertakings, including statements, disclosures or undertakings, made or confirmed by or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Capillary Technologies International Pte. Ltd.

Authorised Signatory
Name: Ramendra Kumar Pandey
Designation: Director

Date: June 18, 2025

Place: Patna, India

DECLARATION

The undersigned Selling Shareholder, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and the Equity Shares being offered by it pursuant to the Offer for Sale, are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures or undertakings, including statements, disclosures or undertakings, made or confirmed by or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Filter Capital India Fund I

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Authorised Signatory
Name: Sumit Sinha
Designation: Authorised Signatory

Date: June 18, 2025

Place: Menlo Park, USA

DECLARATION

We, Adarsh Reddy B, Harminder Sahni, Manjunath Nanjaiah, Sripathi Damodar Reddy, Sripathi Venkata Ramana Reddy, and Sudhakar Reddy Katanguri severally and not jointly, hereby confirm that all statements, disclosures, and undertakings specifically made or confirmed by ourselves in this Draft Red Herring Prospectus in relation to the Equity Shares being offered by us pursuant to the Offer for Sale, are true and correct, provided however, we assume no responsibility for any other statements, disclosures or undertakings, including statements, disclosures or undertakings, made or confirmed by, or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY GIREDDY BHARGAVI REDDY (as the power of attorney holder for Adarsh Reddy B, Harminder Sahni, Manjunath Nanjaiah, Sripathi Damodar Reddy, Sripathi Venkata Ramana Reddy, and Sudhakar Reddy Katanguri)

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Name: Gireddy Bhargavi Reddy
Power of attorney holder

Date: June 18, 2025

Place: Bengaluru, India