www.capillarytech.com

Date: November 03, 2026

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

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

Dear Sir/Madam,

Subject: Monitoring Agency Report for the quarter ended September 30, 2026.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with Regulation 41 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we hereby submit the Monitoring Agency Report dated November 02, 2026, issued by CRISIL Ratings Limited, Monitoring Agency, for the quarter and half year ended September 30, 2026, in respect of utilisation of proceeds of the Initial Public Offer ("IPO") of the Company. The said report is duly reviewed by the Audit Committee of the Company at its meeting held on November 02, 2026, and the same is enclosed herewith.

This Monitoring agency report will also be made available on the website of the Company and can be accessed using the link below:
https://www.capillarytech.com/investors/shareholder-information/corporate-announcements/2026-27/

We request you to take the above information on records.

Yours faithfully,

For Capillary Technologies India Limited

GIREDDY BHARGAVI REDDY
Digitally signed by GIREDDY BHARGAVI REDDY
Date: 2026.11.03 10:22:23 +05'30'

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

Monitoring Agency Report

for

Capillary Technologies India Limited

for the quarter ended

September 30, 2026

Crisil Ratings Limited
Corporate Identity Number: U67100MH2019PLC326247
Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400 072. India
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CRL/MAR/ CATIPI/2026-27/2095

November 03 2026

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

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2026 - in relation Initial Public Offer ("IPO") of Capillary Technologies India Limited ("the Company")

Pursuant to Regulation 41 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**") and Monitoring Agency Agreement dated November 07, 2025, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended September 30, 2026.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited

Shounak Chakravarty
Director, Ratings (LCG)

Crisil Ratings Limited
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Report of the Monitoring Agency (MA)

Name of the issuer: Capillary Technologies India Limited

For quarter ended: September 30, 2026

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Shounak Chakravarty

Signature:

Name and designation of the Authorized Signatory: Shounak Chakravarty

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

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1) **Issuer Details:**

Name of the issuer:	Capillary Technologies India Limited
Names of the promoter:	Mr. Aneesh Reddy Boddu Capillary Technologies International Pte Ltd
Industry/sector to which it belongs:	Software Products

2) **Issue Details**

Issue Period:	Friday, November 14, 2025, to Tuesday, November 18, 2025
Type of issue (public/rights):	Initial Public Offer (IPO)
Type of specified securities:	Equity Shares
IPO Grading, if any:	NA
Issue size:	Rs 3,450.00 million*

**Note:*

Particulars	**Amount (Rs. in million)**
Gross proceeds	3,450.00 #
Less: Issue Expenses	220.92
Net Proceeds	**3,229.08**

#Crisil Ratings shall be monitoring the gross proceeds.

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3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate^, Prospectus (**hereinafter referred as** "Offer document) dated November 18, 2025, Bank Statements	Proceeds were utilized towards object 1: Funding the cloud infrastructure cost and object 2: Investment in research, designing and development of the products and platform and object 3: Investment in purchase of computer systems for the business purposes as mentioned in the offer document	No comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management Undertaking, Peer-reviewed Independent Chartered Accountant certificate^	No comments	No comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No comments	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		No comments	No comments
Whether all Government/ statutory approvals related to the object(s) have been obtained?	NA		No comments	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No comments	No comments
Are there any favorable events improving the viability of these object(s)?	No		No comments	No comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No comments	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No comments	No comments

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NA represents Not Applicable
^Certificate dated October 16, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No.	Item Head	Source of information/ certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in million)	Revised Cost (Rs in million)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding the cloud infrastructure cost	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate^, Prospectus	1,430.00	NA	No revision during the reported quarter	No comments		
2	Investment in research, designing and development of the products and platform		715.81	NA		No comments		
3	Investment in purchase of computer systems for the business		103.42	NA		No comments		
4	Funding inorganic growth through unidentified acquisitions and general corporate purposes #		979.85	NA		No comments		
	Sub-total		**3,229.08**	**-**	**-**			
5	Issue expenses		220.92	NA	No revision during the quarter	No comments		
	Total		**3,450.00**	**-**	**-**			

#The amount to be utilized for funding inorganic growth through unidentified acquisitions and general corporate purposes does not exceed 35% collectively of the Gross Proceeds and individually GCP utilization does not exceed 25% of Gross Proceeds.

^ Certificate dated October 16, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

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ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in million)	Amount utilized (Rs in million)			Total unutilized amount (Rs in million)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Funding the cloud infrastructure cost	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate^, Prospectus, Bank Statements	1,430.00	346.79	157.38	504.17	925.83	Proceeds have been utilised towards payment of cloud infrastructure expenses with Amazon Web Services(AWS) *(Refer note 1)*	No comments	
2	Investment in research, designing and development of the products and platform		715.81	Nil	105.32	105.32	610.49	*(Refer note 2)*	No comments	
3	Investment in purchase of computer systems for the business		103.42	Nil	10.92	10.92	92.50	Proceeds have been utilised towards purchase of laptops *(Refer note 3)*	No comments	
4	Funding inorganic growth through unidentified acquisitions and general corporate purposes		979.85	850.13	0.00	850.13	129.72	No utilisation during the reported quarter	No comments	
	Sub-total		**3,229.08**	**1,196.92**	**273.62**	**1,470.54**	**1,758.54**	-		

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Sr. No.	Item Head#	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in million)	Amount utilized (Rs in million)			Total unutilized amount (Rs in million)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
5	Issue expenses		220.92	188.30	0.00	188.30	32.62	No utilisation during the reported quarter	No comments	
	Total		**3,450.00**	**1,385.22**	**273.62**	**1,658.84**	**1,791.16**	-		

^ *Certificate dated October 16, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.*

Note 1*:* During the reported quarter, an amount of Rs. 157.38 million was transferred from the Monitoring Account to the Company's HSBC current account and was subsequently remitted to Capillary Pte. Ltd. (a wholly owned subsidiary of the Company). This transfer represents reimbursement to the subsidiary for AWS cloud infrastructure expenses incurred on behalf of the Company, under the Group's inter-company reimbursement arrangement, in respect of expenses incurred during the period from June 2026 to July 2026 and vide Board resolution dated February 06, 2026.

Accordingly, AWS raises invoices on Capillary Pte. Ltd., which subsequently raises reimbursement invoices on the Company (Capillary Technologies India Limited) for the actual expenses incurred.

Note 2 : The Company incurred employee-related and professional service expenses for the development of its core technology products and intellectual property, including Loyalty+, Insights+, Engage+, and Customer Data Platform (CDP) during the period ended March 31, 2026 and June 30, 2026. Such expenses were initially incurred through the Company's current accounts and subsequently reimbursed from IPO proceeds during the reported quarter. The allocation of employee costs and professional fees to the respective product offerings was carried out based on internal project tracking records, management representations and the same has been confirmed in the Management undertaking and Peer-reviewed Independent Chartered Accountant certificate dated October 16, 2026.

Note 3: During the reported quarter, the Company procured laptops in India aggregating to Rs 10.92 million. The expenditure was initially incurred through the Company's current account maintained with HDFC Bank during May and June 2026. Subsequently, the amount was reimbursed from the monitoring account towards the purchase of laptops, in accordance with the stated object of the issue.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Funding the cloud infrastructure cost	In order to keep pace with evolving customer needs and enhance overall efficiency, the Company plan to continue funding and expanding the cloud infrastructure including leveraging the services provided by external vendors. The Company intend to utilize up to Rs 1,430.00 million of the Net Proceeds towards funding the cloud infrastructure cost, to be deployed as follows, through payments to be made by the Company or Subsidiaries.

Investment in research, designing and development of the products and platform	The Company need to invest in retaining and further strengthening the technical teams with relevant skill-sets to build, support, manage and enhance the existing products and also build new products which will allow them to cater to different customer segments, invest in the required tools and platforms to improve the existing products and develop new products. Owing to the nature of the 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 the platform, Company 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 the Company.
Investment in purchase of computer systems for the business	The Company propose to purchase computer systems from a portion of the Net Proceeds aggregating to Rs 103.42 million, to aid in the running of the business. The company have in the past invested, and continue to invest, in the information technology equipment in order to improve the efficiency and support development of the platform to meet changing customer requirements and expectations. The expenditure on procurement of computer systems help them in enhancing the overall efficiency and productivity of the 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.
Funding inorganic growth through unidentified acquisitions and general corporate purposes	In pursuit of the overall strategy to continue scaling the business, the Company intend to keep pursuing strategic investments and acquisitions which are complementary to the business to enhance the product and service capabilities and offerings. The company intend to continue to selectively pursue opportunities for evaluating potential targets for strategic investments, acquisitions, and partnerships The general corporate purposes for which the Company proposes to utilise the Net Proceeds include, without limitation, (i) meeting ongoing general corporate contingencies and exigencies and business requirements of the Company and subsidiaries, (ii) expenses incurred by them in the ordinary course of business, (iii) employee and other personnel expenses incurred by them (iv) brand building and other marketing expenses, (v) working capital requirements (vi) any other purpose, as may be approved by the Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

iii. Deployment of unutilised proceeds^:

S. No.	Type of instrument where amount is invested	Amount invested (Rs in million)	Maturity date	Earnings as on September 30, 2026 (Rs in million) *(Refer Note 4)*	Return on Investment (%)	Market value as at the end of quarter (Rs in million)
1	Fixed Deposit (India) 7451760392 (Kotak Bank)	200.00	01-Jan-27	0.78	6.45	200.78
2	Fixed Deposit (India) 709028016007 (RBL Bank)	760.00	05-Dec-26	13.83	7.3	773.83
3	Fixed Deposit (India) 709028015840 (RBL Bank)	740.00	05-Dec-26	13.21	7.16	753.21
4	Fixed Deposit (India) 7451791693 (Kotak Bank)	58.50	31-Dec-26	0.01	5.5	58.51
5	Balance lying in Public Issue Account (9049919151) Maintained with Kotak Bank	24.56				24.56
6	Balance lying in Monitoring Account (9049919168) Maintained with Kotak Bank	8.10				8.10
	TOTAL	**1,791.16**		**27.83**		**1,818.99**

Note 4: *Monitoring the deployment of Interest Income earned from unutilised proceeds does not form part of the scope of Monitoring Agency report.*

^Certificate dated October 16, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

iv. Delay in implementation of the object(s):

Objects	Completion Date		Delay (No. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Investment in research, designing and development of the products and platform	Fiscal 2026: Rs 176.08 million	*Refer Note 5*	*Refer Note 5*	No comments	
Investment in purchase of computer systems for the business	Fiscal 2026: Rs 28.05 million	*Refer Note 5*	*Refer Note 5*	No comments	

^ Certificate dated October 16, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

Note 5: *As per Company's Prospectus dated November 18, 2025, the Company had estimated to utilize Rs 204.13 million for the abovementioned objects of the issue. However, based on peer reviewed Independent charted account certificate and management undertaking, the Company has utilized Rs 116.24 million as at the end of fiscal 2026, hence, there is a delay in the implementation schedule. This delay towards the objects is on account of Company mentioning that it operates on a reimbursement-based expenditure model, wherein costs are initially borne by the Company and subsequently reimbursed on a quarterly basis. The company intends to utilise the unspent amount in subsequent period.*

However, the Prospectus further states that "To the extent company will be unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated schedule of deployment, 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 the Company, in accordance with applicable laws.

5) Details of utilization of proceeds stated as General Corporate Purpose amount in the offer document^:

No utilisation, basis the Certificate dated October 16, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

Disclaimers:

a) *This Report is prepared by Crisil Ratings Limited* ***(hereinafter referred to as "Monitoring Agency" / "MA" / "CRL")****. The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*

b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like Peer-reviewed Independent Chartered Accountants (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*

c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*

d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*

e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*

f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*

g) *Access or use of this report does not create a client relationship between CRL and the user.*

h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*

i) *It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be a basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).*

j) *The report comprises professional opinion of CRL as of the date they are expressed, based on the information received from the issuer and other sources considered reliable by CRL. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. The report does not constitute statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions.*

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l) *CRL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with the preparation of this report. CRL has in place a code of conduct and policies for managing conflict of interest.*

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