

Date: August 04, 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 JUNE 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 August 04, 2026, issued by CRISIL Ratings Limited, Monitoring Agency, for the quarter ended June 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 August 04, 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 below link:

<https://www.capillarytech.com/investors/shareholder-information/corporate-announcements/>

We request you to take the above information on records.

Yours faithfully,

For Capillary Technologies India Limited

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

Capillary Technologies India Limited

CIN- L72200KA2012PLC063060
Regd. Office - 360, bearing PID No: 101, 360, 15th Cross Rd, Sector 4,
HSR Layout, Bengaluru, Karnataka 560102
Email: secretarial@capillarytech.com
Website: www.capillarytech.com
Tel: 080-41225179



Monitoring Agency Report
for
Capillary Technologies India Limited
for the quarter ended
June 30, 2026

CRL/MAR/ CATIPI/2026-27/1919

August 04, 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 June 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 June 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)

Report of the Monitoring Agency (MA)

Name of the issuer: Capillary Technologies India Limited

For quarter ended: June 30, 2026

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: Not applicable

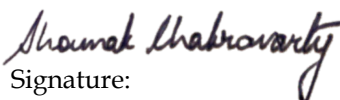
(b) Range of Deviation: Not applicable

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.



Signature:

Name and designation of the Authorized Signatory: Shounak Chakravarty

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

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.

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 4: Funding inorganic growth through unidentified acquisitions and general corporate 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

NA represents Not Applicable

[^]Certificate dated July 26, 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 July 26, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

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	Nil	346.79	346.79	1,083.21	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	Nil	Nil	715.81	No utilisation during the reported quarter	No comments	
3	Investment in purchase of computer systems for the business		103.42	Nil	Nil	Nil	103.42	No utilisation during the reported quarter	No comments	
4	Funding inorganic growth through unidentified acquisitions and general corporate purposes		979.85	0.13	850.00	850.13	129.72	Proceeds have been utilised towards acquisition of Session M Inc. (formerly a wholly owned subsidiary of Mastercard Inc.) and Session M Czech Republic s.r.o, subsidiary of Session M Inc (Refer note 2&3)	No comments	
	Sub-total		3,229.08	0.13	1196.79	1196.92	2,032.16	-		

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		220.91	188.30	0.00	188.30	32.61	No utilisation during the reported quarter	No comments	
	Total		3,450.00	188.43	1196.79	1,385.22	2,064.77	-		

^ Certificate dated July 26, 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. 346.79 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 January 2026 to May 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: During the reported quarter, the Company transferred Rs. 850.00 million from the Monitoring Account to its HSBC Current Account and supplemented the same with Rs. 7.88 million of its own funds. The aggregate amount of Rs. 857.80 million was converted into USD 90,00,000 (at 95.32/USD) and infused as equity into Capillary Pte. Ltd. (a wholly owned subsidiary of the Company) vide Board resolution dated February 24, 2026. Subsequently, USD 76,58,194 was infused by Capillary Pte. Ltd. into Capillary Technologies LLC, a step-down wholly owned subsidiary in the form of equity vide Board resolution dated April 24, 2026, which utilised the funds towards :

- Payment of USD 63,25,655 to Mastercard International Inc. for the acquisition of Session M Inc. (formerly a wholly owned subsidiary of Mastercard Inc.)
- Payment of USD 13,32,539 to Session M Inc. against acquired liability as per the terms of the Stock Purchase Agreement dated February 24, 2026, and Amendment to Stock Purchase Agreement dated May 1, 2026.
- the balance USD 13,41,806 was directly utilised by Capillary Pte. Ltd. towards payment to Mastercard International Inc. for the acquisition of 100% shareholding in Session M Czech Republic s.r.o., a subsidiary of Session M Inc.

Accordingly, the entire utilisation of Rs. 850.00 million under the object of Unidentified Acquisitions has been traced through the inter-company funding structure and remains within the permissible limit of 25% of the Gross Proceeds (Rs. 862.50 million).

Note 3: The Monitoring Agency's review is limited to tracing the movement and utilisation of the issue proceeds against the stated object of the issue and does not extend to independently evaluating the commercial rationale of the underlying structure of the transaction.

#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.
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iii. Deployment of unutilised proceeds^:

S. No.	Type of instrument where amount is invested	Amount invested (Rs in million)	Maturity date	Earnings as on June 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) 7451384260 maintained with Kotak Bank	250.00	12-Sep-26	3.87	6.30	253.87
2	Fixed Deposit (India) 709028016007 maintained with RBL Bank	760.00	05-Dec-26	13.68	7.30	773.68
3	Fixed Deposit (India) 709028015840 maintained with RBL Bank	740.00	05-Dec-26	13.06	7.16	753.06
4	Fixed Deposit (India) 7451544800 maintained with Kotak Bank	150.00	09-July-26	2.16	6.40	152.16
5	Fixed Deposit (India) 7451599985 maintained with Kotak Bank	80.00	09-July-26	0.39	4.50	80.39
6	Fixed Deposit (India) 7451514612 maintained with Kotak Bank	6.90	12-Sep-26	0.09	5.50	6.99
7	Balance lying in Public Issue Account of the company	24.55	-	-	-	24.56
8	Balance lying in Monitoring Account of the company 9049919168	53.32	-	-	-	53.32

S. No.	Type of instrument where amount is invested	Amount invested (Rs in million)	Maturity date	Earnings as on June 30, 2026 (Rs in million) (Refer Note 4)	Return on Investment (%)	Market value as at the end of quarter (Rs in million)
	TOTAL	2,064.77	-	33.25	-	2,098.03

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 July 26, 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 July 26, 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 chartered account certificate and management undertaking, the Company has utilized Nil 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[^]:

Sr. No.	Item heads	Amount (Rs. in million)	Remarks
1.	Working capital	0.00	Rs 189.00/- were utilised towards Bank Charges The Board of Directors of the Company vide resolution dated August 04, 2026, has approved the quantum of utilization of GCP towards mentioned item heads in line with the disclosure provided in the Offer document) dated November 18, 2025

[^] Certificate dated July 26, 2026, issued by M/s Saini Pati Shah & Co LLP, Chartered Accountants (Firm Registration Number: 137904W/W100622), Peer-reviewed Independent Chartered Accountant.

Disclaimers:

- 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.
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- 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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