Capillary Technologies India Ltd.

November 13, 2025

IPO Details

IPO Date	November 14, 2025 to November 18, 2025
Face Value	₹2 per share
Price Band	₹549 to ₹577 per share
Lot Size	25 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	1,52,07,998 shares (aggregating up to ₹877.50 Cr)
Fresh Issue	59,79,202 shares (aggregating up to ₹345.00 Cr)
Offer for Sale	92,28,796 shares of ₹2 (aggregating up to ₹532.50 Cr)
Employee Discount	₹52.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	7,33,29,138 shares
Shareholding post issue	7,93,08,340 shares
QIB Shares Offered	Not less than 75% of the Net Offer
Retail Shares Offered	Not more than 10% of the Net Offer
NII (HNI) Shares Offered	Not more than 15% of the Net Offer
Retail (Min & Max) shares	25 Shares & 325 shares
Retail (Min & Max) application amount	₹14,425 & ₹1,87,525
S-HNI (Min shares & application amount)	350 shares & ₹2,01,950
S-HNI (Max shares & application amount)	1,725 shares & ₹9,95,325
B-HNI (Min shares & application amount)	1,750 shares & ₹10,09,750
Basis of Allotment	Wed, Nov 19, 2025
Initiation of Refunds	Thu, Nov 20, 2025
Credit of Shares to Demat	Thu, Nov 20, 2025
Listing Date	Fri, Nov 21, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Nov 18, 2025
Promoters	Capillary Technologies International Pte Ltd and Aneesh Reddy Boddu
Registrar	MUFG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Capillary Technologies India Ltd. is 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 ₹ 4.00 million in revenue from operations in the six-month period ended September 30, 2025 and September 30, 2024 and ₹ 8.00 million in revenue from operations in a Fiscal) globally to develop loyalty of their consumers and channel partners. 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, they support over 410 brands in 47 countries. According to the Zinnov Report, they are among one of the few players in the loyalty management space that offer end-to-end loyalty solutions.

The Revenue of the Company increased by 13.93% and Profit after Tax rose by 120.70% from FY24 to FY25.

Objects of the Issue

- ❑ Offer for Sale – Rs. 532.5 Crore
- ❑ Funding cloud infrastructure cost – Rs. 143 Crore
- ❑ Investment in research, designing and development of their products and platform – Rs. 71.58 Crore
- ❑ Investment in purchase of computer systems for the business – Rs. 10.34 Crore
- ❑ Funding inorganic growth through unidentified acquisitions and general corporate purposes – Rs. 120.08 Crore

Financial Details

Particulars (Amount in Crores)	Six months period ended 30-Sep-25	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	359.21	598.25	525.10	255.37
Other income	3.34	13.61	10.34	10.88
Total Income	**362.56**	**611.86**	**535.44**	**266.25**
Expenses				
- Cost of Campaign Services	-	-	41.70	48.28
- Professional and Consultancy Expenses	61.46	99.49	87.31	31.16
- Software and Server Charges	63.88	92.18	93.58	29.87
- Employee Benefit Expense	174.33	295.52	271.94	188.41
- Finance costs	2.93	7.78	17.70	11.23
- Depreciation and amortization expense	36.37	60.10	56.06	36.69
- Other expenses	23.05	46.09	42.38	26.86
Total expenses	**362.04**	**601.18**	**610.70**	**372.52**
EBITDA	**36.47**	**64.95**	**(11.84)**	**(57.84)**
EBITDA Margin (%)	**10.15%**	**10.86%**	**(2.25)%**	**(2.26)%**
Exceptional items	-	-	-	11.38
Profit/(Loss) before tax	**0.51**	**10.68**	**(75.26)**	**(94.88)**
Tax expense/(credit)	(0.51)	(3.47)	(6.90)	(6.33)
Profit/(Loss) After Tax	**1.03**	**14.15**	**(68.35)**	**(88.55)**
PAT Margin (%)	**0.28%**	**2.31%**	**(1.28)%**	**(3.33)%**
Basic EPS (in Rs.)	**0.14**	**1.93**	**(12.15)**	**(17.63)**

Key Metrics	Six months period ended 30-Sep-25	Mar-25	Mar-24	Mar-23
Subscription Revenue (% of Revenue from operations)	89.39%	80.42%	76.58%	61.26%
Geographical Revenue Split				
North America	56.01%	56.59%	48.09%	20.00%
EMEA	19.00%	19.24%	18.75%	12.96%
Asia-Pacific	24.99%	24.17%	33.16%	67.03%

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Competitive Strengths

- **Trusted Partner in Loyalty Solutions :** As of September 2025, 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, according to the Zinnov Report, they 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.

- **Comprehensive Solutions for Diverse Segments :** The Company offers a full-spectrum loyalty management platform serving multiple industries. Their key products include Loyalty+, an AI-driven program boosting engagement and repeat purchases; Insights+, which unifies and enriches consumer data for actionable insights; Engage+, an AI-powered tool enabling hyper-personalized campaigns; Rewards+, a marketplace for gift cards, cashbacks, travel, and exclusive deals; and the CDP, providing a unified consumer view across channels with AI/ML-driven real-time insights.

- **Scalable Cloud-Based Infrastructure with Seamless Integration :** Their platform is built on a scalable, cloud-based architecture that enables real-time processing of large data volumes, ensuring high speed and stable performance to support complex business needs. It integrates seamlessly with customers' existing technology stacks. As of September 30, 2025, they served 413 brands and hosted 1.82 billion consumers, up from 1.26 billion in March 2025, 1.13 billion in 2024, and 0.97 billion in 2023. They processed 0.16 million loyalty transactions per hour in the six months ended September 30, 2025, compared to 0.18 million, 0.15 million, and 0.10 million in FY2025, FY2024, and FY2023, respectively.

- **Diverse Long-Term Customer Relationships with High Net Revenue Retention :** The Company serves a broad customer base across retail, apparel, lifestyle, travel, auto, consumer goods, healthcare, and energy. In the six months ended September 30, 2025, revenue from the top 5 and top 10 customers stood at Rs. 138.65 Crore and Rs. 200.06 Crore, respectively. The top 10 customers have minimum three-year contracts, with an average relationship length of over 2.5 years. Strong relationships with marquee global brands enables them to scale with clients, reflected in robust net revenue retention (NRR) of 115.42% in H1 FY2026, compared with 143.48% in H1 FY2025 and 121.25% in FY2025.

- **Strong Sales Engine and Partnership Network :** They have a dedicated go-to-market team of 14 employees across North America, the Middle East, and Southeast Asia, focusing on enterprise sales and strategic partnerships. Over the past three fiscals, they added marquee clients such as Masan Group Corporation, a Spanish financial services multinational, a Canadian bank, a British telecom firm, a UK retail bank, an Indian adhesives maker, and an American healthcare technology company. As of September 30, 2025, March 31, 2025, 2024, and 2023, they served 110, 98, 111, and 112 customers and 413, 393, 398, and 339 brands, respectively.

Key Risk Factors

- **Revenue from North America :** The Company derives a significant portion of the revenue from customers located in North America. In the six-month period ended September 30, 2025 and Fiscals 2025, 2024 and 2023 their revenue from the customers located in North America accounted for 56.01%, 56.59%, 48.09% and 20.00%, respectively, of the revenue from operations. Any adverse developments in North America could adversely affect the business, results of operations, cash flows and financial condition.

- **Financial Performance :** They have incurred losses of Rs. 59.37 Crore in Fiscal 2024 and Rs. 87.71 Crore in Fiscal 2023 and certain of their Material Subsidiaries have also incurred losses in the past and they may experience losses in the future which could result in an adverse effect on the business, cash flows and financial condition.

- **Negative Cash Flows :** The Company had negative cash flows (including cash flows generated from their operating activities) in the recent past and may, in the future, experience similar negative cash flows. Cash Flows from operating activities for the Six-month period ended September 30, 2025 and Fiscals 2025, 2024 and 2023 was Rs. 55.46 Crore, Rs. (46.19) Crore, Rs. 97.13 Crore and Rs. (20.05) Crore. Cash Flows from Investing activities fro the same time period was Rs. (197.34) Crore, Rs. 63.57 Crore, Rs. (184.52) Crore and Rs. (93.61) Crore.

- **Credit Risk :** The Company typically allows a credit period on payment terms of up to 90 days to their customers who enter into contracts in relation to the platform and solutions, and are therefore exposed to credit risk from their customers. Trade Receivables for the Six-month period ended September 30, 2025 and for Fiscals 2025, 2024 and 2023 was Rs. 185.10 Crore, Rs. 161.12 Crore, Rs. 145.65 Crore and Rs. 80.11 Crore.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Capillary Technologies India Ltd.	NA	2	303.68*	1.92**	1.90**	2.85%	65.03
Peers:-							
Salesforce, Inc.	21821	0.08	35.71	540.79	534.07	10.26%	5441.60
Adobe, Inc.	29894	0.01	21.01	1038.29	1032.44	36.74%	2650.28
Hubspot, Inc.	34950	0.09	NA	7.53	7.53	0.29%	3153.16
Braze, Inc.	2605	0.01	NA	(85.65)	(85.65)	(22.58)%	402.61

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

Capillary Technologies India Ltd. is a software product company offering artificial intelligence ("AI")-based cloud-native Software-as-a-Service ("SaaS") products and solutions primarily to Enterprise Customers. globally to develop loyalty of their consumers and channel partners. 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, they support over 410 brands in 47 countries. According to the Zinnov Report, they are among one of the few players in the loyalty management space that offer end-to-end loyalty solutions.

The total addressable market size for loyalty management is estimated to be USD 16.6 Billion in Fiscal 2024 and is expected to reach USD 26.8 Billion by Fiscal 2029, projecting a growth rate of 10%, 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 18.7% from years 2024-2029. North America holds the largest market share, followed by Europe and Asia-pacific.

The rapid expansion and modernization of loyalty programs are being driven by incumbents across retail, travel, healthcare, and QSR sectors seeking to remain competitive with digital first brands; a shift toward vertical specific program design that better addresses sector-level behaviors and constraints; the rise of advanced technologies, such as cloud native platforms, AI powered personalization, and real-time analytics, that transform loyalty from a transactional tool into a strategic value engine; and the essential role of system integrators in ensuring seamless implementation, interoperability, and scalability across complex enterprise technology ecosystems.

The Company has recently turned profitable and their margins have also grown very significantly. The growth prospect of the Company looks interesting but the valuations are quite steep which does not make an investment case at this price.

Therefore, it is recommended to "Avoid" the IPO due to high valuations.

DISCLAIMER

Prepared By:

Research Analyst : Anmol Grover

Email ID: anmolgrover@adroitfinancial.com

Research Associate : Bhavin Tharwani

Email ID: bhavintharwani@adroitfinancial.com

Phone Number: 0120-4550300*270/388

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