

# Capillary Technologies India Ltd.

## IPO Note



## Not Rated

**Data-driven loyalty solutions that keep customers returning and products performing.**

Capillary Technologies India Limited is a software product company offering artificial intelligence (AI)-based, cloud-native Software-as-a-Service (SaaS) solutions.

Incorporated on March 15, 2012, the company's registered and corporate office is located in Bengaluru, Karnataka, India. It primarily serves enterprise customers across more than 45 countries (as of March 31), helping them enhance consumer and channel partner loyalty.

The company's business model focuses on delivering comprehensive, AI-driven SaaS platforms aimed at improving customer engagement and retention for large enterprises. Its product suite includes Loyalty+, Engage+, Insights+, and Rewards+, which enable clients to execute end-to-end loyalty programs with unified, personalized, cross-channel engagement strategies, while offering a holistic view of customer behavior.

Capillary has demonstrated a notable turnaround in profitability, reporting a restated consolidated profit of ₹13.28 crore in FY25, compared to losses of ₹59.38 crore in FY24 and ₹87.72 crore in FY23. Revenue from operations in FY25 stood at ₹598.26 crore. The company's pre-offer consolidated Debt-to-Equity Ratio was 0.18 as of March 31, 2025, indicating a comfortable leverage position.

However, a key risk arises from high customer concentration, with the top five clients accounting for 43.35% of revenue from operations in FY25. The company also has a history of cash losses, and its performance remains dependent on the timely and cost-efficient development of new products. Additionally, non-compliance with evolving global data privacy regulations (such as GDPR) could materially impact operations.

As of September 30, 2025, Capillary served 110 customers across 413 brands, including 19 Global Fortune 500 companies. The client roster features prominent names such as Tata Digital, ABFRL, Abbott Laboratories, Frontier Communications, Domino's Pizza, Arvind Fashions, Metro Brands, Puma Sports, Vishal Mega Mart, Inter-Globe Aviation, Polycab, among others.

### Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	255.4	-69.2	-87.7	-27.1	-34.3	-11.1	23.5	-47.0	-36.8	-52.2	-67.6
FY24	525.1	-11.8	-59.4	-2.3	-11.3	-7.5	68.0	-11.0	-18.6	-77.1	-372.1
FY25	598.3	65.0	13.3	10.9	2.2	1.7	71.7	2.3	1.1	344.5	68.7

Source: Ventura Research & Company update

Industry	Technology SAAS
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### Scrip Details

Listing	BSE & NSE
Open Date	Nov 14, 2025
Close Date	Nov 18, 2025
Price Band	INR 549 - 577
Face Value	INR 2
Market Lot	25 Shares
Minimum Lot	1

### Issue Structure

Issue Size (INR cr)	INR 877
Issue Size (Shares)	1,52,07,998
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre-Issue sh. (in cr.)	7.33
Post Issue sh. (in cr.)	7.93
Post Issue Market Cap (in cr)	4,576.09

Shareholding (%)	Pre (%)	Post (%)
Promoter	67.9	62.55
Public	32.1	37.45
<b>TOTAL</b>	<b>100</b>	<b>100</b>

### Issue Structure and Offer Details:

Capillary technologies India Ltd. IPO is a book build issue of INR 877.50 cr. The issue includes fresh issue INR 345 cr and OFS of INR 532.50 cr.

Issue Structure	
Investor Category	Allocation
<b>QIB</b>	<b>Not less than 75.00% of the Offer</b>
<b>NII (HNI)</b>	<b>Not more than 15.00% of the Net issue</b>
<b>Retail</b>	<b>Not more than 10.00% of the Offer</b>

*Number of shares based on a higher price band of INR 577*

*Source: Company Reports*

### Objects of the Issue: -

- 1. Funding our cloud infrastructure cost- INR 120 cr.**
- 2. Investment In Research, designing and development of our products and platform- INR 151.54 cr.**
- 3. Investment in purchase of computer systems for our business INR 10.32 cr.**
- 4. Funding inorganic growth through unidentified acquisitions and general corporate purposes- 63.46 cr.**

## Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	255.4	525.1	598.3	Adjusted EPS (INR)	(11.1)	(7.5)	1.7
YoY Growth (%)	14.5	105.6	13.9	Adjusted Cash EPS (INR)	(6.4)	(0.4)	9.3
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	23.5	68.0	71.7
RM Cost to Sales (%)	0.0	0.0	0.0	Adjusted CFO per share (INR)	(2.5)	12.2	(5.8)
Employee Cost	188.4	271.9	295.5	CFO Yield (%)	(0.4)	2.1	(1.0)
Employee Cost to Sales (%)	73.8	51.8	49.4	Adjusted FCF per share (INR)	(4.8)	9.6	(10.5)
Other Expenses	136.2	265.0	237.8	FCF Yield (%)	(0.8)	1.7	(1.8)
Other Exp to Sales (%)	53.3	50.5	39.7	<b>Solvency Ratio (X)</b>			
EBITDA	(69.2)	(11.8)	65.0	Total Debt to Equity	0.8	0.1	0.2
Margin (%)	(27.1)	(2.3)	10.9	Net Debt to Equity	0.5	(0.3)	(0.2)
YoY Growth (%)	35.6	(82.9)	(649.1)	Net Debt to EBITDA	(1.5)	14.7	(1.8)
Depreciation & Amortization	36.7	56.1	60.1	<b>Return Ratios (%)</b>			
EBIT	(105.9)	(67.9)	4.9	Return on Equity	(47.0)	(11.0)	2.3
Margin (%)	(41.5)	(12.9)	0.8	Return on Capital Employed	(29.6)	(10.0)	1.0
YoY Growth (%)	32.8	(35.9)	(107.2)	Return on Invested Capital	(36.8)	(18.6)	1.1
Other Income	10.9	10.3	13.6	<b>Working Capital Ratios</b>			
Bill discounting & other charges	11.2	17.7	7.8	Payable Days (Nos)	84	51	31
Fin Charges Coverage (X)	(9.4)	(3.8)	0.6	Inventory Days (Nos)	0	0	0
Exceptional Item	11.4	0.0	0.0	Receivable Days (Nos)	115	101	98
PBT	(94.9)	(75.3)	10.7	Net Working Capital Days (Nos)	30	51	67
Margin (%)	(37.2)	(14.3)	1.8	Net Working Capital to Sales (%)	8.3	13.9	18.5
YoY Growth (%)	(8.0)	(20.7)	(114.2)	<b>Valuation (X)</b>			
Tax Expense	(6.3)	(6.9)	(3.5)	P/E	(52.2)	(77.1)	344.5
Tax Rate (%)	6.7	9.2	(32.5)	P/BV	24.5	8.5	8.1
PAT	(88.6)	(68.4)	14.2	EV/EBITDA	(67.6)	(372.1)	68.7
Margin (%)	(34.7)	(13.0)	2.4	EV/Sales	18.3	8.4	7.5
YoY Growth (%)	(12.2)	(22.8)	(120.7)	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	0.8	9.0	(0.9)	PBT	(94.9)	(75.3)	10.7
Net Profit	(87.7)	(59.4)	13.3	Adjustments	99.2	217.1	(22.6)
Margin (%)	(34.3)	(11.3)	2.2	Change in Working Capital	(30.7)	(51.6)	(37.7)
YoY Growth (%)	(13.0)	(32.3)	(122.4)	Less: Tax Paid	6.3	6.9	3.5
<b>Balance Sheet</b>				Cash Flow from Operations	(20.1)	97.1	(46.2)
Share Capital	10.6	14.6	14.7	Net Capital Expenditure	(28.2)	(36.7)	(47.4)
Total Reserves	176.0	524.3	553.6	Change in Investments	(65.4)	(147.8)	111.0
Shareholders Fund	186.6	539.0	568.2	Cash Flow from Investing	(93.6)	(184.5)	63.6
Long Term Borrowings	43.2	4.2	1.3	Change in Borrowings	65.8	101.7	16.1
Deferred Tax Assets / Liabilities	6.2	8.8	6.5	Less: Finance Cost	(11.2)	(17.7)	(7.8)
Other Long Term Liabilities	2.1	2.7	3.3	Proceeds from Equity	82.1	133.7	5.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	4.3	6.6	8.1	Dividend Paid	0.0	0.0	0.0
Total Liabilities	242.4	561.2	587.4	Cash flow from Financing	136.6	217.8	13.3
Net Block	223.7	301.2	300.9	Net Cash Flow	22.9	130.4	30.6
Capital Work in Progress	0.0	0.0	0.0	Forex Effect	(5.9)	4.1	2.8
Intangible assets under developm	5.5	3.1	0.0	Opening Balance of Cash	29.2	46.2	180.7
Non Current Investments	0.0	0.0	0.0	Closing Balance of Cash	46.2	180.7	214.1
Long Term Loans & Advances	74.7	6.7	19.9				
Other Non Current Assets	12.6	94.3	99.0				
Net Current Assets	(74.2)	156.0	167.5				
Total Assets	242.4	561.2	587.4				

Source: Ventura Research

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